

southeast
asia
CHRONICLE



Issue No. 78

\$1.50

TOURISM

Selling Southeast Asia



TRADEWINDS
HOTEL



HYATT



TOURISM

Selling Southeast Asia

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Cover photo by Randy West

A Note from the Staff...

We are sometimes surprised at how ideas grow. Our 1979 issue on *Changing Role of Southeast Asian Women* has become something of an institution in many circles. An article in *Ms.* recently referred to it as a "classic," and we frequently get requests for it from people who are starting to do research on women's work or on the roles of multinational corporations in the Third World. Meanwhile, Rachael Grossman, the author of the principal article in that issue, has been asked to work on a film which will examine the way the multinational electronics industry is changing the lives of women who work in it in the United States and the Third World. Rachael will leave the Center at the end of March to concentrate on this effort and to attend graduate school. We are sorry to lose Rachael, but we are sure we will benefit from her new projects.

From time to time, *Chronicle* readers have been forced to put up with inefficiencies in the way we handle our records. We've appreciated your patience, and now we hope the problems will disappear. Linda Golley is taking on the challenging and sometimes baffling task of running our office and making sure that the left hand does indeed know what the right hand is doing. We welcome Linda to the SRC staff.

The Resource Center Staff

Staff members are Rachael Grossman, Santi Mingmongkol, Joel Rocamora, John Spragens, Jr., and Martha Winnacker. Research assistance is provided by Jane Castellanos, Lynn Duggan and Glenda Pawsey.

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The Southeast Asia Resource Center

Formerly called the Indochina Resource Center, the SRC is a major non-governmental source of information on current developments in the countries of Southeast Asia, and on the U.S. involvement there. The Center follows and interprets events in Vietnam, Laos and Kampuchea, as well as in Thailand, Malaysia, Indonesia, and the Philippines. This research and analysis continues in the tradition of the Indochina Resource Center, which played a key role from 1971 to 1975 as one of the sources of accurate information for the anti-war movement's successful effort to cut U.S. aid to the Thieu regime.



We are grateful for special financial support from the Asia/Pacific section and the Racial Justice section of the United Methodist Church.



About This Issue

Travel articles about Southeast Asia can conjure up images of idyllic villages, brilliant sunsets, exotic food and charming people. These images have been carefully crafted by a multi-billion dollar industry which brings over 10 million visitors to East and Southeast Asia every year. Tourism now constitutes the largest sector of international trade, and it is growing the most rapidly in the Pacific.

The tourism industry constitutes a tangible economic, political and cultural force in Asia. Asian governments and international financial institutions view tourism as a "strategic industry" in the export-oriented development of the region, allocating large budgets for national airlines, advertising, infrastructure and hotel construction. The

airlines, hotels and industry association (PATA) see Asian countries as profitable "destination points" to promote.

Travel *per se* can provide important opportunities for cultural interchange, expanded awareness of international issues, and personal enrichment. But tourism as it is now practiced in Asia—dominated heavily by large international corporate interests and local elites—has given rise to many questions about actual benefits and disadvantages to the people and societies involved.

Concerned groups in Asia and around the world have begun to investigate the economic, political and cultural underpinnings of the tourism industry as it is now constituted. Serious doubts have arisen about whether foreign exchange and employment promised through tourism have really materialized. Women's and church groups throughout the region have spearheaded an international campaign investigating and protesting against the pervasive selling of Asian women as advertising lures, hostesses and prostitutes which has become a central part of the Asian tourist scene. Workers in the luxury hotels throughout the region have begun to demand fair wages and working conditions.

Protests have arisen from many quarters about the "packaging" and degradation of Asian cultures.

This issue of the *Southeast Asia Chronicle* delves into these complex issues. **Robert Wood** presents an overview of the economic interests in the industry with a focus on the involvement of international financial institutions and private corporate interests. Focusing on the Philippines, **Linda Richter** writes of the political uses of tourism in providing legitimacy and prestige for governments and ruling elites. **Pasuk Phongpaichit** examines prostitution in Thailand, showing the economic forces that push women out of the countryside and into Bangkok's flesh trade. **Patty Lee**, a San Francisco hotel worker, describes her meetings with counterparts in Manila's luxury hotels. Indonesian poet **Rendra** writes of the cultural impact of tourism in Bali. Other articles highlight the role of the Pacific Area Travel Association and the Hilton hotels.

We offer this issue as a resource for groups and individuals already concerned about tourism and as a catalyst for others to look seriously at this phenomenon. We hope it will be a useful beginning for others to build on. □

THE ECONOMICS OF TOURISM

Robert E. Wood

Tourism is often portrayed as a benign earner. In fact much of the foreign exchange "leaks" out of the host country. And tourism has seldom-considered effects on politics and class structure.



Randy West

Tourism creates jobs. Tourism brings in dollars. Tourism is a growth industry, and the countries of Southeast Asia (and likewise Taiwan and South Korea) have staked out a substantial share of the trade. The ideological and economic framework which underlies the international tourism industry too often goes unexamined, however, and for good reason. The framework is shaky, and its major assumptions are flawed.

In 1958 a research mission commissioned jointly by the United States Department of Commerce and the Pacific Area Travel Association visited the Pacific and the Far East to explore their potential for international tourism. The Checchi Report which emerged from this mission found international tourism to be "virtually nonexistent" in countries like Indonesia, and far below its potential everywhere. With self-conscious boldness, the Checchi Report called for a quadrupling of tourism in the area between 1958 and 1968. "The economic impact of these expenditures can be spectacular," it said.¹

The Checchi goals turned out to be conservative, and the growth accelerated in the following decade. Tourist arrivals in Southeast Asia increased 25-fold between 1960 and 1979.² In 1960 only one tourist destination—Hong Kong—received over a million tourists. By 1979 Singapore and Hong Kong each received over two million tourists annually, and Taiwan, Korea, Malaysia and Thailand all received over one million. The Philippines was on the verge of passing the million mark as well. Only Indonesia lagged behind with less than half a million, but even this represented a striking increase of over 70 times its 1960 level. Southeast Asian countries took in over four billion tourist dollars in 1979.³

International tourism is an increasingly important aspect of the development strategy of every non-socialist government in Southeast Asia. Apart from technical project evaluations, however, there are almost no studies of its spread and its economic, social and political consequences.

How has tourism grown in Southeast Asia? Why have international aid agencies pushed it? Is it a useful development strategy? What impact does it have on unemployment and on the class and political structures of the countries of the region? These are some of the questions we need to bring into the discussion.

Underdeveloped countries have shared in the generalized growth of international tourism over the past 25 years, and have increased their share of the world market. Only the Middle East's share has been declining in recent years; Asia, Latin

This is a revised version of an article which originally appeared in the Journal of Contemporary Asia, Vol. 9, No. 3, 1979. Robert E. Wood teaches sociology at the University of Massachusetts, Boston.

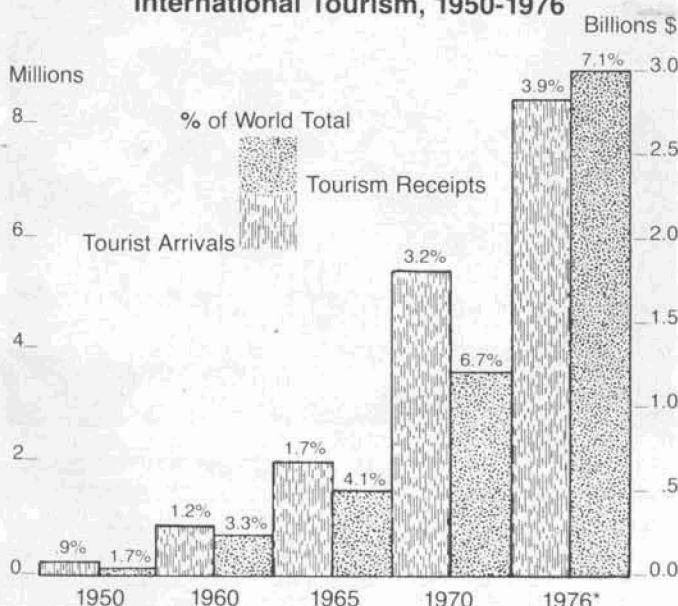
America and Africa have all increased their shares significantly. Between 1950 and 1975, Asia-Australasia tourist arrivals increased 40-fold, and its share of the world total increased by over 400 percent. Tourism receipts in the area are growing rapidly both absolutely and as a share of the world total, though there are wide disparities between countries when tourism receipts are compared with population, GNP, and visible exports.

This growth of international tourism in Southeast Asia has been made possible by rising incomes in the West and Japan and by the introduction of cheap charter and excursion air fares during the 1960s. It also represents an active policy choice by Southeast Asian governments, which have moved quickly to provide the infrastructure and promotion the mass tourism industry requires. To these governments, international tourism has seemed particularly attractive for a number of reasons.

Tourism is classified as an export, but the rapid growth of demand for it contrasts sharply with the declining of stagnant demand for many of the basic exports from underdeveloped countries. The declining terms of trade for most of their exports (2.5 percent per year between 1971 and 1976 for underdeveloped countries other than oil exporters, according to U.N. figures) have encouraged a search for other exports more able to hold their own on the world market. With world demand growing rapidly, tourism has appeared a strong candidate.

Developing a tourism industry has also seemed increasingly attractive as import-substitution industries have run into trouble. The import content of these industries has turned out to be much higher than expected, and frequently their growth has been limited by the low level of consumer demand in societies where the vast majority remains in poverty. International tourism has very little import substitution effect, but it holds out the promise of foreign exchange. While other characteristics of the industry have been cited as pluses (its alleged labour intensity, multiplier effects, etc.), the argument for international tourism in underdeveloped countries ultimately stands or falls on its foreign exchange contribution to development.

Asia-Australasia Regional Share of World International Tourism, 1950-1976



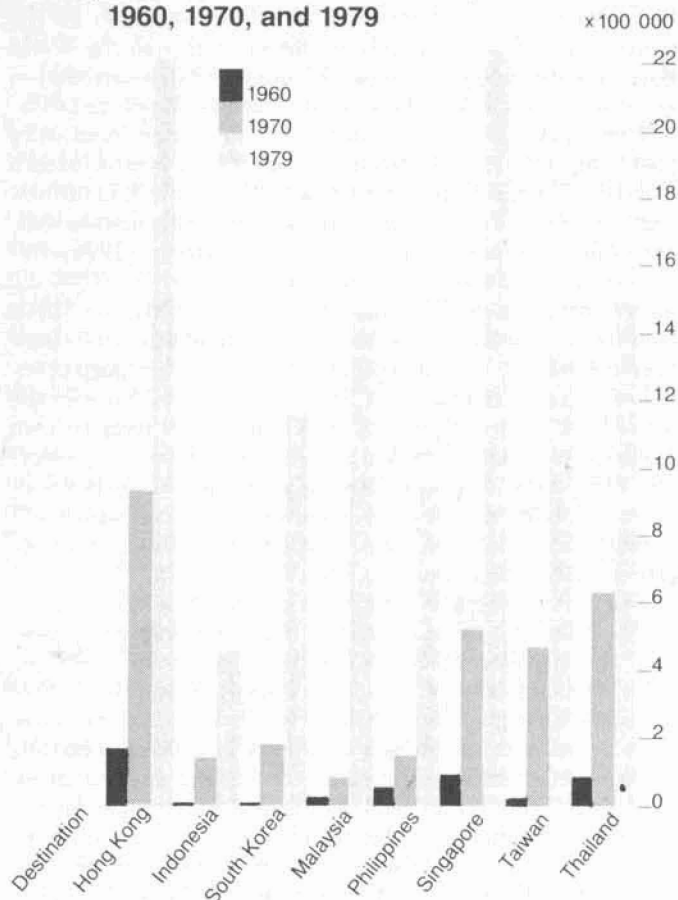
Source: World Tourism Organization, Economic Review of World Tourism 1968, 1972, 1978; Michael Peters, International Tourism.

* Estimates

Underdeveloped countries did not simply stumble onto tourism as a promising way to earn foreign exchange, however. Beginning with the Checchi Report in the late 1950s, the governments of these countries have received a steady stream of advice and assistance for expanding international tourism. U.N. resolutions have extolled tourism as "a basic and desirable human activity deserving the praise and encouragement of all peoples and governments,"⁴ industry organizations such as PATA (which includes governments as well) lobby against barriers to the expansion of international tourism and provide technical assistance for developing the industry. Bilateral and multilateral aid agencies have placed increasing emphasis on tourism as an area of technical assistance and lending.⁵

The World Bank Group—composed of the bank itself, the International Development Association, and the International Finance Corporation—has taken the lead in using aid money to encourage international tourism in underdeveloped countries. Its emphasis on tourism has been consistent with its general promotion of export-oriented development and has been implemented within its traditional framework of promoting private ownership of profitable enterprises.⁶ The International Finance Corporation which makes loan and equity investments in privately-owned businesses, made its first tourism loan in 1967: \$2.9 million for a hotel in Kenya to be managed and partly-owned by Intercontinental Hotel Corporation, a subsidiary of Pan Am. The IFC has continued to concentrate primarily on loans and investments in privately-owned hotels.

Foreign Visitors to Southeast Asia, 1960, 1970, and 1979



Source: International Union of Official Travel Organizations, International Travel Statistics, 1960, 1970; Asian Development Bank, Annual Report 1979.

Its cumulative commitments for tourism came to \$86.6 million by 1980. The World Bank (International Bank for Reconstruction and Development) and its soft-loan subsidiary, the International Development Association, have concentrated on tourism infrastructure.

"The main policy of running the complex is to benefit private capital." Local entrepreneurs supply the capital for building the hotels, and the multinational hotel chains make their money "managing" them.

By 1980 the IBRD committed \$25 million to Asia; the IDA put in \$20.2 million; and the IFC added \$17.6 million. These figures understate the World Bank's contribution to tourism development in two ways, however. First of all, as the bank has pointed out, a number of its other loans have tourism as a major rationale. A number of transportation loans, for example, create the necessary infrastructure for tourism development.⁷ Even more important, the bank is a major contributor to development finance companies, which are investment banks in underdeveloped countries generally authorized to make loans solely to private enterprises. These DFCs have played a major role in tourism development in a number of Southeast Asian countries. In the Philippines, for example, the Development Bank of the Philippines has loaned hundreds of millions of dollars for the construction of luxury hotels in Manila. Although the World Bank reported making no tourism loans in 1980, it lists tourism as a rationale for five of the loans it made in that year to DFCs.

The World Bank has also promoted tourism development by providing technical assistance. In 1969 the Bank established a Tourism Projects Department which advises the IFC on new tourism investments. It has worked with other agencies as well. For example, it joined with UNESCO to sponsor a 1976 seminar on the social and cultural impact of tourism.⁸

In contrast to the IFC, almost none of the IBRD's or IDA's loans have gone directly for hotel construction; where they have been intended for that purpose, they have generally been channelled through development finance companies. Most of the loans have been for physical infrastructure for large tourism complexes, which the bank is particularly interested in promoting: "The Bank is working on an approach to tourism development involving the creation of tourism complexes which will include all necessary amenities, ranging from basic infrastructure services to recreation facilities."⁹

The IDA loaned \$16 million, for example, for infrastructure for the Nusa Dua development on the barren southern peninsula of Bali. The hotels will be built by private investors. Another example is the mammoth Pomun Tourist Resort Project near Kyongju, South Korea, which will comprise more than a dozen hotels, a golf course, a folk village, boating facilities, restaurants, a shopping center, and apartments for employees. The World Bank has loaned \$25 million for the project's infrastructure. The use of these aid funds to make private investments in tourism profitable has been emphasized by the head of the Kyongju Tourism Agency: "Our main job is to maintain the resort project and attract private capital. The private investments are not under our control. The main policy

of running the complex is to benefit private capital. For example, we rent the convention hall at very low prices to assist the hotels in attracting business."¹⁰

International tourism in Southeast Asia is not simply a one-way flow of visitors from advanced capitalist countries to underdeveloped ones. International travel by citizens of underdeveloped countries has also been growing rapidly. Within Southeast Asia tourists from other Southeast Asian countries constituted 56 percent of arrivals in Malaysia in 1975; 42 percent in Singapore; 32 percent in Thailand; and 25 percent in Hong Kong.¹¹

For the underdeveloped world as a whole, outgoing tourist expenditures were larger than incoming tourist receipts in 1965, and the resulting deficit on the travel account indicated "a net flow of resources from the developing countries to the developed through the tourism market."¹² The existence of regional tourism complicates this assumption about the direction of the outward flows, but many underdeveloped countries continue to have a negative tourism balance. In Southeast Asia, by and large the tourism balance is positive, but the outward flows are significant.

The size of tourist expenditures for some countries may be inflated by inconsistent accounting procedures, particularly the inclusion of student expenditures abroad. But it also indicates the extreme social inequality of most underdeveloped societies, whose ruling classes have become luxury tourists themselves. One study of tourist expenditures in Singapore shows that the biggest spenders on a per capita basis are not Americans or Australians, but Indonesians, despite the fact that Indonesia ranks as one of the poorest countries in the world.¹³ In fact, on an aggregate basis as well, Indonesians are the most important

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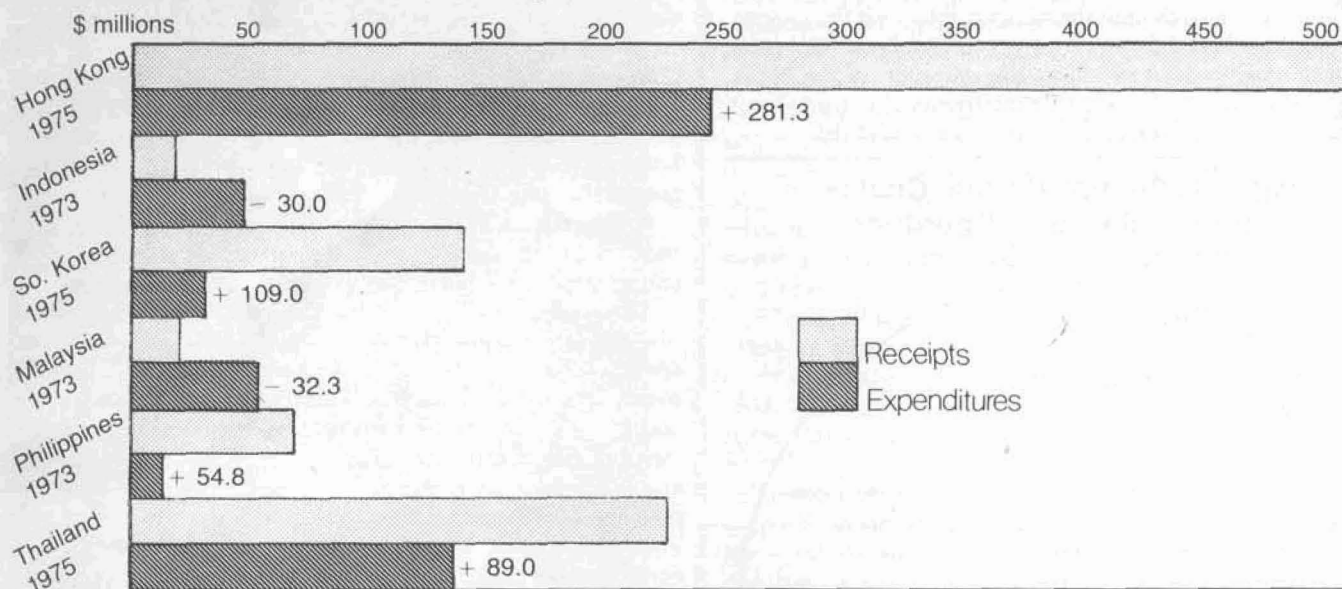
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Tourism Balance for Selected Southeast Asian Countries in Selected Years



Source: *Economic Review of World Tourism 1976*, p. 65, *World Travel Statistics 1976*.

group of tourists in Singapore, accounting for \$64.9 million of tourism receipts in 1976.¹⁴

Actually, the net balance on a country's travel account is not a very useful way of measuring the foreign exchange contribution of tourism. Tourism "imports" and "exports" are largely independent of each other, though it seems likely that an international tourism industry has a kind of demonstration effect on the local ruling classes.

More important, tourism balance figures do not show foreign exchange "leakage"—the ways tourism itself has foreign exchange costs. The type of tourism industry virtually all underdeveloped countries have created involves a high import content. Considering the fact that foreign exchange is the basic rationale for tourism development, it is surprising how little is known about the level of foreign exchange leakage. According to the Center for Transnationals, direct import requirements and payments abroad associated with tourism accounted for 21 percent to 50 percent or more of total tourism receipts in one sample of four underdeveloped countries.¹⁵ Transfers to foreign owners can also be considerable, and there are various indirect forms of foreign exchange leakage.

Foreign exchange leakage is most evident in the hotel sector, which generally accounts for around half of tourism receipts (less in places like Hong Kong and Singapore, where almost two-thirds of tourist dollars go for "shopping"). All non-socialist Southeast Asian countries have opted for luxury, "international standard" hotels, which attempt to replicate their counterparts in the advanced capitalist countries. These hotels require substantial imports, both as part of the initial capital investment and in their normal operation. In general, for example, one-third of their food bill goes for imports, although this can be much higher—80 percent for Singapore, for example.¹⁶ Overall, direct import requirements seem to average about 25 percent of both initial investment and operating costs.

The foreign exchange costs of the hotel sector increase to the extent that it is foreign owned or operated, because of the repatriation of interest, profits and salaries, as well as central

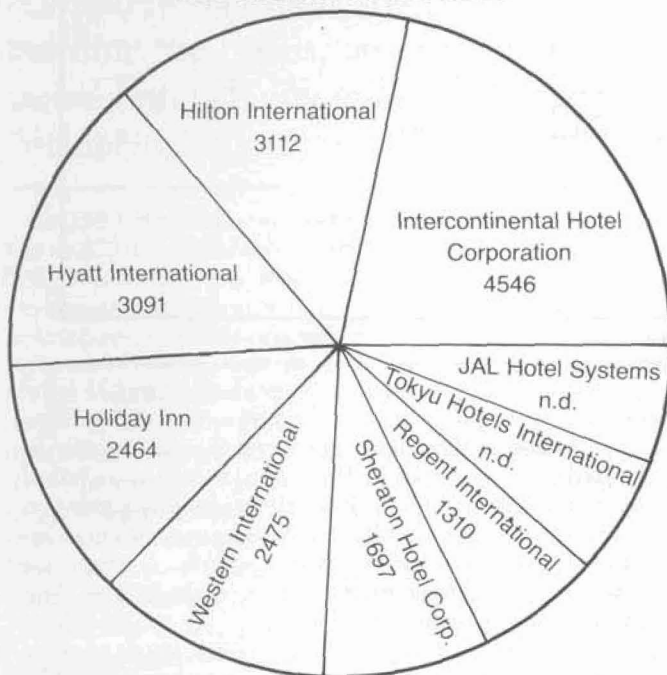
purchasing and transfer pricing. In 1973, the top 100 hotel chains in the world owned 8,100 hotels with 1.2 million rooms.¹⁷ Almost half of these chains have their home office in the United States or the United Kingdom, and many are linked to the major airlines. TWA owns Hilton International; Pan Am owns Intercontinental; United Airlines owns Western International. Airlines with hotels in Southeast Asia include British Airways, Cathay Pacific, Japan Airlines, Pan Am, TWA, and United Airlines.

Almost half (47.4 percent) of the foreign hotels of these hotel chains are located in underdeveloped countries. The Center for Transnationals lists 486 hotels (128,674 rooms) associated with multinational hotel corporations in 93 underdeveloped countries. In 14 countries of Asia there are 86 multinational hotels with 33,323 rooms.¹⁸ The proportion of hotel rooms controlled by the multinational hotel chains varies considerably. The low is 5.6 percent in Malaysia; the high is 43.9 percent in the Philippines. These figures may be affected by different definitions of what constitutes a "hotel," but in all cases the multinational proportion is much higher if we focus on the luxury hotels where most foreign tourists stay.

The profits of multinational corporations are often defended by arguing that the multinationals provide much-needed capital for undertakings which otherwise would remain on the drawing boards. In the multinational hotel business, however, this is not the case. The multinational hotel chains have increasingly been divesting themselves of hotel properties and concentrating their energies on securing management contracts.¹⁹ Local entrepreneurs thus supply the capital for building the hotels, and the multinational hotel chains make their money "managing" them. This of course means high salaries for expatriate managers. For underdeveloped countries as a whole, the seven percent of hotel employees who are foreign nationals account for an average of 23 percent of the hotel wage bill.²⁰ Part of these salaries constitute a form of foreign exchange leakage. The increasing emphasis on management contracts is reflected in the fact that whereas direct ownership and leasing arrangements accounted for 67 percent of MNC rooms before 1964, fully 91 percent of new rooms since 1975 have involved management contracts.²¹

Management contracts normally have escape clauses releasing the multinationals from their responsibilities if the government restricts their ability to repatriate foreign exchange or acts in a way which adversely affects the operation of the hotel. These clauses reflect the fact that international tourism is not neutral insofar as fiscal and social policy are concerned.

Major Multinational Hotel Chains in Southeast Asian Countries No. Rooms in SE Asia



Source: International Union of Food and Allied Workers Associations

The World Tourism Organization estimates that a minimum of 40 percent of gross hotel revenue goes to pay for imports, interest and profits if the hotel is foreign-owned, and that the figure can run as high as 75 percent or more.²² The foreign exchange leakage of hotel investment is further accentuated by such government incentives as long-term, low-interest loans, tax exemptions or reductions, interest rebates, duty-free import of equipment and admission of foreign workers.

Infrastructural investments often have a substantial import content, too. Airports have to be built to accommodate wide-bodied jetliners. Roads must be constructed to allow tour buses to carry their passengers in comfort. Power has to be generated—if not for local residents, certainly for the water-filtering systems of hotel swimming pools. These infrastructural investments are particularly high for the resort complexes favoured by the World Bank. Malaysia, for example, is undertaking large-scale beach resort complexes on Pulau Besar, off Malacca, on Pulau Langkawi, and along its east coast near Kuantan.²³ One analysis for the Commonwealth Caribbean countries estimates that investments in infrastructure amount to about 80 percent of hotel capital costs.²⁴ These costs are borne by the government and hence by society at large.

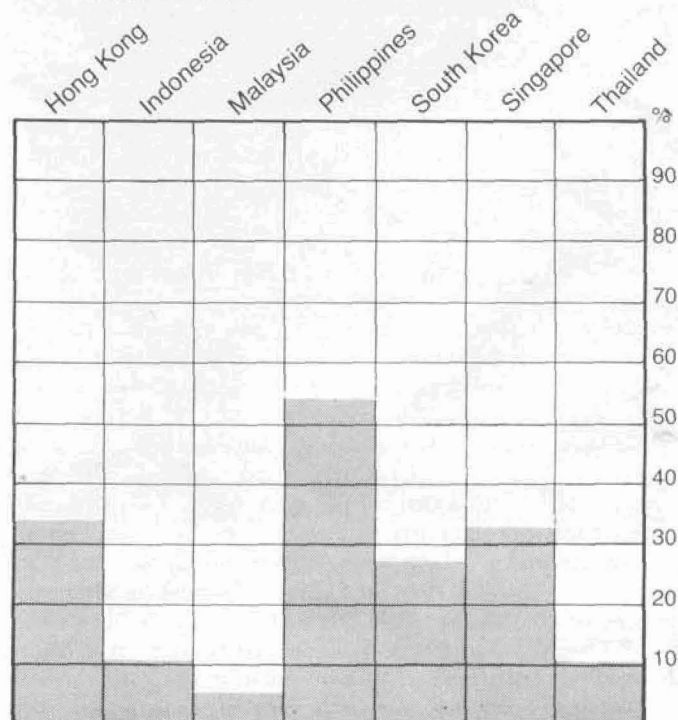
Spending on infrastructure slides over into constructing tourist attractions themselves. Many of the pet projects of the Philippines' first lady—the Philippine International Convention Center, the International Convention Center, the Folk Arts Theatre and the Philippine Center for International Trade

and Exhibit—have been built with an eye to the tourist industry and involve substantial foreign exchange expenditure. In the Philippines the Ministry of Local Government and Community Development has even issued a circular directing local governments to "establish their own tourism boards and prioritize tourism related programs to be funded by the local budget. This is spent mainly on beautification projects and putting up of local festivals."²⁵

International tourism is a highly competitive industry, and most governments engage in expensive foreign promotional campaigns—a further foreign exchange cost. Singapore's Tourist Promotion Board spent \$6 million in 1974 for the 1.4 million visitors who came.²⁶ Elsewhere government promotional spending has gone as high as \$10 per tourist.²⁷ In addition, some of the most popular tourist destinations, such as Singapore and Hong Kong, attract tourists by selling duty-free imported merchandise. Singapore and Hong Kong report that 63 percent and 65 percent of visitor spending respectively is for "shopping."²⁸ Since most of these receipts must go to pay for the imports (cameras, watches, etc.) which tourists buy, there is very little net gain for the country's foreign exchange position from up to two-thirds of total tourism receipts.

In addition to the direct import content of the tourism industry itself, tourists define an import-oriented style of luxury consumption which local elites emulate. This has an important implication for the much-debated multiplier effect of international tourism. The multiplier effect argument says tourist expenditures will stimulate further local economic activity. When tourism stimulates local consumption of imported goods, however, the multiplier effect will raise the overall foreign exchange cost of tourism. One study of Antigua claims that taking the multiplier effect into account raises the import content of international tourism from 40 percent of total tourism receipts

Proportion of Total Hotel Rooms Associated with Multinational Hotel Chains, 1978



Transnational Corporations in International Tourism, United Nations Centre on Transnational Corporations 80-19939, pg. 24



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In Singapore: The Marco Polo

PATA helps the travel industry move its Pacific product.

It is hardly a spontaneous stirring of interest which sends hundreds of thousands of visitors a year to one country or another. Each tourist "destination" is carefully marketed, often in a package with other countries or cities, and marketing techniques are monitored: what works for one destination may make another equally attractive. The major coordinator for travel directions in Asia and the Pacific is the San Francisco-based Pacific Area Travel Association, formed to provide a meeting ground for travel professionals and to help governments develop tourist centers.

Founded in 1961, PATA now includes over 2,000 members ranging from official government representatives to hoteliers, tour operators, airline officials and travel agents. PATA chapters, which hold regular meetings, form an international network. At a typical meeting, a national tourist organization, such as the Singapore Tourist Promotion Board, plays host to local chapter mem-

bers, often airline officials or travel agents. Most national tourist organizations maintain offices in major cities of the countries which generate tourists, and these meetings give the agencies a chance to promote their countries' destinations.

Another major vehicle for the exchange of information among PATA members is the publication of a monthly magazine *Pacific Travel News*, as well as various handbooks, directories and booklets. These are funded primarily by advertising from major hotels, airlines and governments, and they provide travel professionals with current information on Pacific area facilities and attractions. The association also provides advice and technical assistance for specific programs through its standing committees on development, research, marketing, management and cultural preservation.

Cultural preservation is a new field for PATA, which was previously concerned primarily with such commercial activi-

ties as developing tourist sites, researching travel statistics and marketing the Pacific. At its first "tourism and heritage" conference, held during November 1979 in Bangkok, PATA set out to foster cooperation between the tourism industry and preservationists, two groups which seldom have much use for each other. According to PATA Vice-President Ken Chamberlain, tourism boosters now realize, "We have to look at preservation of heritage—if we don't maintain what is different, no one will want to go see it."

With the recognition that Pacific tourist sites will remain desirable and saleable only if their "unique" and "exotic" qualities are preserved, PATA has charged its development authority with two somewhat contradictory tasks: to develop destinations and increase their handling capacity and preserve their quality by balancing the economic value of tourism against the changes it brings to the destination area. How much influence the heritage committee will actually have in such a commercially oriented association remains to be seen. The important question is whether PATA can serve not only tourists and commercial interests but local people as well.

PATA Packages the Pacific

Margaret Glenn

Most jobs in the tourism industry involve low levels of skill and low pay. Average gross monthly pay for workers in Balinese hotels, for example, is \$31.³³ While seasonality is not a major problem for Southeast Asian tourism, hotel workers may suffer from short-run overexpansion of luxury hotels, as has occurred in Manila. The degree of unionization among hotel workers varies considerably, from about 20 percent in the Philippines to 75 percent in Singapore. Yet even where workers are unionized, restrictive labor laws often limit what they can do to improve their working conditions.

Several additional points should be mentioned, at least briefly. Tourism development does not substitute for imports. Nor does it respond to local demand. It does not create a labor force with skills which can contribute to the growth of other sectors of the economy. In fact, through its competition with other sectors for scarce resources (even down to the level of local governments diverting local funds for tourism projects), and through its effect on consumption patterns, tourism seems to stunt development in other sectors. The inflation it has brought to Bali, for example, has reportedly lowered nutrition levels for people in the highlands.³⁴

So tourism does not necessarily bring in vast amounts of foreign exchange for other development projects. Indeed, it can demonstrate many of the classic characteristics of underdevelopment: a high degree of foreign ownership and control, high import content, dependency on economic fluctuations in

the advanced capitalist countries, and an oligopolistic structure in the industry as a whole, to take the major examples.

International tourism can also serve to consolidate dependent class relationships, and we should take at least a brief look at this problem.

The heart of mass tourism is the hotel sector. Luxury hotel investment has been a particularly harmonious ground for an alliance between the local ruling classes and the multinational corporations. This has been true for several reasons. First, as indicated earlier, this is an area in which many multinationals have been quite content to settle for management contracts rather than insisting on majority ownership and control. Ownership of the actual buildings, which are expensive, immobile, and which contain no particular technical secrets, can be left to local investors or, occasionally, the state.

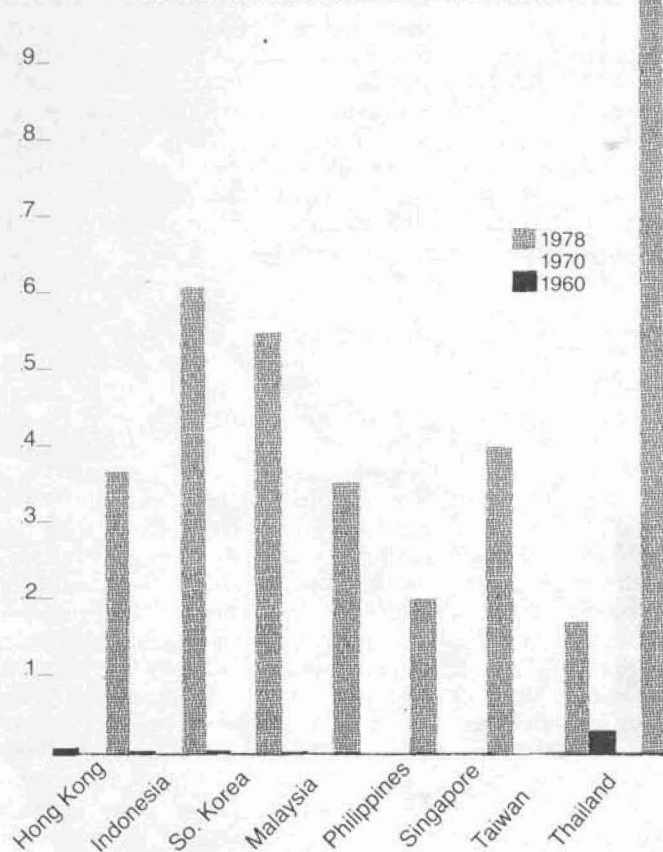
Second, joint enterprises with multinationals may allow politically dominant classes without a strong economic base to

Tourists define an import-oriented style of luxury consumption which local elites emulate.

circumvent their economically dominant class (and ethnic) competitors. This is likely to be a factor in countries like Malaysia, Indonesia and Thailand, where alliance with the multinationals avoids the necessity of doing business with the Chinese commercial classes. This ethnic-class competition may in fact bias tourist policy towards luxury tourism, since a tourism policy based on the expansion of the existing accommodation system would favour the Chinese already in control of it.

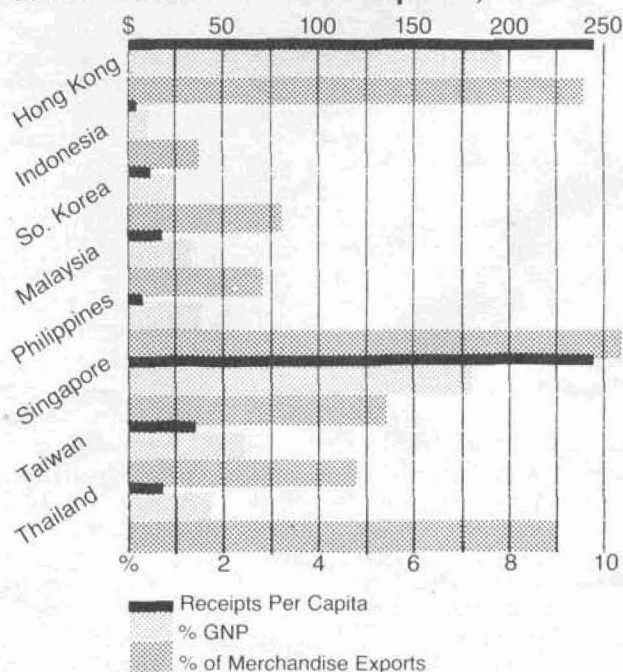
1.1. \$ Billions

Tourism Receipts of Southeast Asian Countries



Source: International Travel Statistics, 1960, 1970; Asian Development Bank, Annual Report 1979; World Bank Atlas 1979; World Development Report 1980.

Tourism Receipts of Southeast Asian Countries, as % of GNP, Per Capita, and % of Merchandise Exports, 1978.





A. Lin Neumann

Third, investment in luxury hotels represents a continuation of the speculative, real-estate oriented investments which are characteristic of the ruling classes of many underdeveloped societies. Luxury hotels are also favored as sites for elite functions of all sorts—marriages, parties, conferences, celebrations, to name a few. In Manila during 1976-77, the ruling families and economic cliques of the Philippines let loose an orgy of competitive hotel building during which 14 new hotels were built at a cost of about \$510 million. Such hotels may provide facilities for social functions which the dominant classes could not support on their own and may even, as in the Philippines, become a ground of intra-class status competition.

The availability of state capital has been the final cement of this relationship between the multinational hotel corporations and the local ruling classes. In the case of Manila mentioned above, government banks loaned \$500 million, in several cases financing 100 percent of the investment. (In fact, one report suggests that the figure was really over 100 percent, due to deliberate overestimations, allowing the borrowers to invest the extra money in the local money markets.)³⁵ Various government incentives have also made hotel investments particularly attractive.

International tourism has other conservative political implications as well. Tourists will only come to a country they see as friendly and stable, and therefore any disruptions caused by efforts to change the status quo can carry dire economic consequences. This is similar to problems underdeveloped countries always face in trying to create international business confidence in their investment climate. But tourist perceptions are prob-

ably even more volatile. When blacks rioted several years ago in Bermuda, the local newspaper warned: "Tourism is fragile. Those throwing fire bombs from cars should understand that very soon they will not have a car to throw bombs from."³⁶ The overreaction of the Bermudan government—flying in British troops to quell the riots—probably stemmed from the spectre of the Virgin Islands, where several murders of whites decimated the tourist industry for years. The economic importance of

Any disruptions caused by efforts to change the status quo can carry dire economic consequences.

tourism may dispose governments to react unusually strongly to popular actions which they fear will affect the tourist image of the country. Such concerns can also provide a pretext for limiting the rights of workers in the tourism industry. In the Philippines, for example, hotels and restaurants are defined by presidential decree to be "vital industries" in which strikes are banned, and the Ministry of Tourism can cancel the work permit of any hotel or restaurant worker "for the commission of any act detrimental to the tourists."³⁷ At the same time, of course, the fragility of the tourism industry represents a weak spot in the economy which an oppositional movement can choose deliberately to disrupt—as it did in the Philippines in the fall of 1980 when bombs went off in the midst of a Presidential address to a conference of U.S. travel agents in Manila.

Bali: The Ultimate Paradise

The Indonesian government, supported by the World Bank, has built a totally insulated tourist haven, but foreign investors are skeptical.

Margaret Glenny

Nusa Dua, a \$36 million-dollar tourist complex in Bali, Indonesia is planned to rank with resorts in Pataya, Thailand, and Penang, Malaysia, as one of Asia's big three tourist destinations. Yet few investors aside from the Indonesian government appear eager to make an "investment in paradise." Construction at the site, on the sparsely populated southern peninsula, remains at a near stand-still. Investor interest has lagged because of the Indonesian government's airline policy and its poor record in setting up infrastructure.

The tourism industry in Bali depends heavily on what it calls "air movement stability," the guaranteed movement of air traffic and landing rights for major carriers. The Indonesian government has projected an annual increase of 13 percent for tourists arriving by air, but this figure is based on a 1977 civil aviation policy which allowed twice weekly direct flights from Australia, the American west coast, Europe, Japan, Manila, Singapore, and Bangkok. In April 1980 Indonesia's civil aviation board canceled landing rights for Thailand's national carrier, reducing tourist arrivals in Bali. As a result, Hilton Hotels, Inc. announced that it would not build until landing rights were extended to more national carriers.

In a recent effort to revive investor interest, Garuda, Indonesia's national airline, has taken what it calls "a bold step" in beginning construction of a 450-room hotel at Nusa Dua. Its completion date, set for late-1982, has been called "impossibly optimistic" by a leading travel trade publication.

Master planner for the Nusa Dua com-

Margaret Glenny lived in Bali for two years

plex is the Bali Tourism Development Corporation established in 1972 and wholly government-owned. Nusa Dua represents a new, planned approach to tourism development which requires substantial backing from foreign investors. Foreign investors are offered 50-year leases and "maximum incentive and tax holidays." Sanur and Kuta, two of Bali's older tourist areas, grew spontaneously and, particularly in Kuta, tourist facilities are largely in the hands of Balinese entrepreneurs.

The basic plan for Nusa Dua consists of several hotel clusters built at different locations on 700 hectares of the arid peninsula. A "tourist village" with a shopping center and amusement facilities will be located in the center of the resort. The BTDC gives top priority to community facilities which it expects to benefit locals and visitors alike: a hotel staff training school, a recreation center and a children's playground. Infrastructure at Nusa Dua will be of international resort standard. Electricity, new to local inhabitants, is already available at the site. Still in the planning stage are water and telephone systems, waste and sewage disposal plants and paved roads. The Indonesian government is providing the



In satire of growing materialism, on Bali, clown (left) plays foolish boatman haggling with legendary hero he transports.

infrastructure with backing from the World Bank.

Nusa Dua is planned as an isolated, self-contained tourist community which will afford visitors the pleasures of Bali but keep their interactions with locals to a minimum. The BTDC hopes that this design will preserve the local culture more or less intact as something tourists will want to see while at the same time channeling tourist expenditures into the local economy. Perhaps the segregation will save the area from commercial degradation, but local economic growth is by no means assured. A recent UNESCO report indicates that in Bali the locals who profit from the industry are those who are directly engaged in it—hotel and art shop employees, guides, and to a lesser degree, musicians and performers. Ninety percent of Balinese live in villages and do not benefit from foreign exchange earnings.

BTDC's public relations officer, G.P. Ryasse, takes a philosophical view of the challenges posed by the Nusa Dua effort to benefit investors, locals and tourists. "In everything there are positives and negatives. We are too burdened by negatives. At BTDC we try to take the middle road." □

This kind of international tourism does not exist in isolation. It is part of a larger development strategy characterized by relatively open economies, reliance on foreign aid and investment, imported technology, and deepening integration into the world capitalist economy. The ideological and institutional bases of this strategy were developed in the post-World War II period first in response to the threat of European state capitalism and then to the threat of national liberation movements in the Third World. When they analyze international tourism, the regimes of non-socialist Southeast Asia operate within this set of assumptions. For example, the assumption that foreign exchange is the critical bottleneck to

There are alternatives which have virtually no import content and create a completely different structure of entrepreneurial opportunity.

development is highly ideological. It not only represents a choice about a certain type of (dependent) development, but implicitly rules out alternative strategies (such as peasant mobilization). Even within this frame of reference, however, the claims for tourism not only have been greatly exaggerated, but obscure the ways tourism perpetuates class relations of dependency. Two general alternatives come to mind.

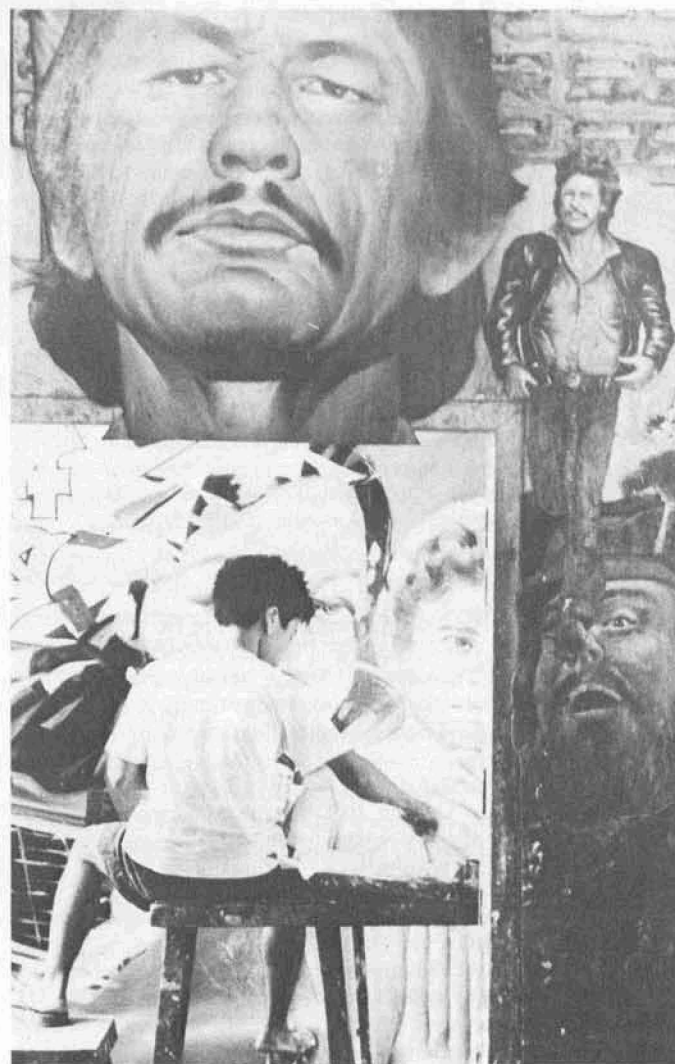
One is to demonstrate the greater economic and social benefits of other forms of investment and government spending. Symbolically, tourist investments may be quite vulnerable. In Banaue, Philippines, for example, a luxury hotel with a swimming pool and its own electric generator sits above the town which still lacks electricity and whose streets turn into muddy quagmires in the rain. In the two year period in which the Philippine government loaned \$500 million for luxury hotels in Manila, only \$13 million was spent in the entire country for public housing.³⁸

Equally important, we need more satisfactory measures for comparing tourism and alternative forms of productive investment. Most studies to date maintain too narrow a focus: capital costs per worker, import content, wage bills, etc. Even within this narrow frame of reference tourism does not fare particularly well, but the criteria of evaluation need to be widened to include what is produced, how it relates to production and distribution, and the level of foreign penetration and dependency. The one study which tries to do this in a general way, Bryden's study of the Commonwealth Caribbean, finds an overall low social rate of return; the net gain goes to a small privileged elite.³⁹

A second possibility is to explore alternative types of tourism. Mass tourism with luxury accommodation is not the only form which is possible in Southeast Asia. In fact there already exists alongside it one alternative, originally sparked by the stream of young "hippie" travelers from Europe and North America, but now sustained by a wide range of budget travelers, including students, young workers and young professionals. Southeast Asians have responded creatively to the opportunities opened up by these travelers, expanding traditional accommodation systems—*losmen*, Chinese hotels, *yogwans*, homestays—to meet the new demand. In Bali, the contrast between two former fishing villages is instructive: Sanur, whose entire beachfront is

monopolized by huge, generally foreign-owned luxury hotels, and Kuta, where several hundred local families have added "homestays" of five to 15 rooms to their existing family compounds set among the coconut palm groves back from the beaches. While this type of budget tourism is not without its problems, it demonstrates a type of tourism which has virtually no import content and which creates a completely different structure of entrepreneurial opportunity from that of mass luxury tourism.

An increasing number of voices has been raised in Southeast Asia stressing the need to think about alternative types of tourism. A summary of recommendations made at an "International Workshop on Tourism" in September 1980 at Ateneo University in Manila calls for "the discovery and development of alternative ways of travel" which encourage genuine interchange, involve the full participation of local people at all levels of decision-making, and utilize facilities and services which benefit local people. But just as existing forms of tourism development are simply one component of a wider outward-oriented, elite-dominated strategy of development, so the struggle to define an alternative vision of international exchange in Southeast Asia will be linked to a wider challenge to existing class and political relations. □



Movie sign painter in Bangkok.

Randy West

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LITTLE ISLANDS OF AMERICA

Hilton International sells conspicuous consumption around the world. Their motto: "Minimum risk—full control."

Rachael Grossman



Construction workers in Bangkok.

Randy West

Rachael Grossman is a staff member of the Southeast Asia Resource Center. She has researched and written about the impact of U.S. corporations in Southeast Asia for six years. This article is based on research by the corporate profile project at the Data Center in Oakland, CA

"No new country dares think that it has got going until it has a seat at the U.N., a national airline, and a Hilton Hotel," boasted Conrad Hilton. His global hotel empire has played a key role in creating an "international standard" based on American tastes. Hilton International has done a good job of propagating the idea that luxury means American-style consumption: it claims with pride that the elites of countries from Japan to Egypt marry off their daughters at the local Hilton. Behind the glamor is a shrewdly run corporation which operates almost 80 hotels around the world. Profits for 1980 amounted to \$55 million.

Conrad Hilton, who died in 1979 at the age of 91, was the driving force behind the international Hilton phenomenon. Starting with a chain of American hotels bought from bankrupt owners during the Depression, he first moved overseas in 1949 with the Caribe Hilton in Puerto Rico. He set up Hilton International as a separate enterprise, operating only overseas.

In 1957 he saw Asia as the supreme challenge, an area ripe for luxury hotels and large profits. He viewed Asia as the missing link in an international empire; the one-third of the world not yet swallowed up by the communist menace, but not yet convinced to join the "free world." "If we can reach out and assist in raising these billion people, the uncommitted Third, from the shadow of economic and political want, . . . This is the dream that haunts me now as an individual, as an American, as a businessman—the magnificent dream of one world, a free world."¹

Hilton initiated its Asian operations with the opening of the Hong Kong Hilton in 1963. Since then, the chain has moved into Japan, Thailand, the Philippines, Indonesia, Malaysia, Singapore, Taiwan and Australia. Hotels are currently planned in Korea and Sri Lanka. It has found partners among private businessmen, local elite and rulers. The Manila Hilton, for example, is owned by the Delgado Brothers Hotel Corporation, a major Philippine tourist interest.

Hilton International's strategy for expansion has been simple: get someone else to pay. Hilton manages rather than owns hotels. Of the 78 hotels it was involved with at the end of 1979, HI owned or had equity in only seven.² HI developed this pattern in 1949 with the original Hilton International hotel, the Caribe Hilton in Puerto Rico. It contracted to manage this hotel in exchange for one-third of the gross operating profits; the other two-thirds went to its partners. It has sometimes altered this agreement to take five percent of gross revenues and 10 percent of operating revenues or to arrange a fixed rental fee.

Hilton International's current president, Curt Strand, explained the manage-rather-than-own strategy in 1967: " . . . undertaking the minimum conceivable risk but keeping full control of operations."³ This approach has resulted in continual profits for Hilton, while the partner has borne the brunt of any financial loss. The most dramatic example of this was when HI's partner in the Tehran Hilton, the Shah, had to leave the country in 1979 and give up ownership of the Hilton to the new government.

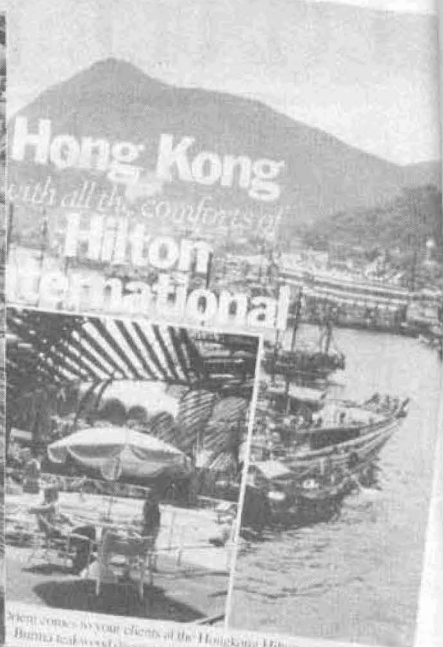
Other hotel interests followed Hilton's lead and moved from ownership to management of hotels. Sheraton and Holiday Inn have actually divested themselves of hotels and gone for management agreements in subsequent deals. This policy provides



A 22-acre garden of Indonesian delights awaits International. The city's first 5-star hotel. The lobby, whole brilliant hotel and wood carvings decorate the are the exclusive comforts and conveniences of Hilton. Long staying guests. Exoticated. (Note Indonesian in direct access to the business center and airport. All surface terms, courts, airport, courts, podium, etc. pulling, green, even a jogging track. 400 rooms. For reservations, call Hilton Reservation Service.



Your clients will relax in the tropical surroundings of our rooftop pool area overlooking Singapore Island and harbour. Here, they'll enjoy drinks at the bar, dancing, and outstanding local cuisine prepared while they watch at Hin's Cookhouse. All the conveniences of the smallest deluxe hotel in town are there for them as well—an ideal location, outstanding amenities, a choice of dining experiences and health club. 422 rooms. For reservations, call any Hilton International hotel or Hilton Reservation Service.



orient comes to your clients at the Hong Kong Hilton. Borneo teakwood decor, views of the harbour and the best of Hilton International comes to your clients. A wide range of services for the business traveller. In dining, gym and the Central District's pool. 841 rooms. 50 any Hilton. For Reservations



maximum financial benefits for these hotel chains without the risk of sinking large amounts of capital into hotels.

Hilton International has also played a leading role in integrating the tourist industry. Its merger with Trans World Airlines in 1967 set off a series of airline-hotel chain mergers involving such concerns as United Airlines (which bought Western International Hotels), Continental Airlines, BOAC, KLM and Braniff. Although Pan American had pioneered this trend in 1945 by establishing its own hotel chain, it was the anticipated 1970 introduction of the jumbo jet which pushed the tourist industry to full-scale integration to handle dramatic increases in travel. When Hilton International merged with TWA in 1967, 40 percent of Hilton's hotels were already on TWA routes, making TWA-Hilton packages easy to arrange. Naturally, the customers of either were a ready audience for the advertising of the other.

Hilton prides itself on creating "little islands of America" around the world. It does so by maintaining absolute control of all aspects of planning and operation. President Strand explained, "We control the standard of operation. We not only manage them but design them. We provide the architects, the engineers, the interior designers, the kitchen planner."⁴ About 18 months before a Hilton is slated to open, the corporation provides its partners with specifications for every item to be used in the hotel, along with sources and prices. Purchasing is global—carpets from Hong Kong, glassware from the United States, crystal from France, chinaware from Japan, linens from Ireland.⁵

Though Hilton International insists that its operations provide opportunities for countries to develop local managerial talent, the reality is quite different. Curt Strand brags about his "international cadre" of "shock troops"—3,000 managerial staff who are frequently moved around the world. Locals come

in as bellboys, waitresses and bartenders to fill out the international workforce of 3,000.⁶ The managers of new Hiltons are almost automatically picked from this international managerial pool. At the six Hiltons operating in Southeast Asia, there is only one manager with an Asian surname.⁷

Hilton Hotels in Southeast Asia have created islands of conspicuous consumption in the midst of the host societies. They advertise jogging tracks, tennis courts, the ubiquitous American coffee shop. Hiltons in Kuala Lumpur, Manila and Hong Kong have introduced massage parlors and steam baths. The Singapore Hilton recently opened a series of suites designed by Givenchy—complete with crystal decanters, whirlpools, teams of butlers and concierges—available for nightly rates of \$194-\$517. In these and in other Asian Hiltons it is probable that the waitresses will never be able to afford the imported New Zealand strawberries and apples they serve, and the housekeepers often clean rooms which cost more for one night than they earn in a month. □

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BANGKOK MASSEUSES: HOLDING UP THE FAMILY SKY

Bangkok's flesh trade makes young women the breadwinners for their families in Thailand's poorest rural areas.

Pasuk Phongpaichit

The original version of this study, entitled "Rural Women of Thailand: From Peasant Girls to Bangkok Masseuses," was prepared for the International Labor Organization by Pasuk Phongpaichit of the Faculty of Economics, Chulalongkorn University. The full version of the 151-page report was published by the ILO in February 1981 in Geneva. This condensation was prepared by SRC staff member Martha Winnacker.

When Taew sold her virginity, her family got a well. Taew works in a massage parlor in Bangkok, and her family lives in a remote village in Thailand's Northeast. Of the \$400 her customer paid for the privilege of becoming her first sexual partner, Taew received \$100, enough to provide her family with a dependable supply of drinking water. It was a nice addition to the house built 10 years before with money Taew's two older sisters earned as mistresses to American GIs.

Until Taew's sisters went to work for the soldiers, the family owned no land. They lived by sharing the work and the harvest on her uncle's land and by collecting food and fuel from the forest. Eventually, an aunt went to work as a housemaid in the town of Udon, and when the United States built an airbase there the aunt became the mistress of an American officer. Her contributions brought the family its first cash income, and it was she who introduced Taew's sisters to the sex trade. Their earnings radically changed the family's situation: the house was followed by the purchase of 15 acres of rice land and tuition payments for the younger siblings to stay in school beyond the compulsory fourth grade level. After the GIs went home in 1975, Taew's aunt and sisters moved to Bangkok and Pataya (a resort in the South). Eventually, the aunt and one of the sisters married and came home to farm with their husbands.

Now 18, it was Taew's turn to work for cash to supplement the family farm, which produced enough to eat only in good years. Taew followed her sister to Bangkok, where she tried jobs as a



Masseuses behind one-way mirror in "fish tank" of a Bangkok massage parlor.

Randy West

construction worker, housemaid and waitress before entering a massage parlor. Eventually she moved on to become a "coffee shop girl," sitting in a hotel coffee shop to pick up foreign customers. As a laborer and waitress, Taew never earned more than \$50 a month; now she send \$50-\$100 a month home to her parents and earns \$200-\$300. She talks of finding a job as a seamstress, for which she has some training, but Taew knows she will not earn as much as she does now. And she doesn't like to ride rush-hour buses now that she is used to taxis.

Taew's parents do not know how she earns the money she sends them. They are proud of her success as a "waitress," although the neighbors say it is obvious that an uneducated young woman could not earn so much except as a prostitute. Taew completed fourth grade; her earnings now keep three younger sisters in secondary school. The cash Taew and her older sister send home from Bangkok is double what the family earns from its farm land, now rented out, yet the family's current income places it just slightly above the poverty line as defined by the World Bank. If the two daughters stopped earning, the family would slide into a precarious struggle merely to subsist.

Taew is one of an estimated 200,000-300,000 women who work in Bangkok's 119 massage parlors, 119 barber-shop-cum massage and teahouses, 97 night clubs, 248 disguised brothels, and 394 disco-restaurants,¹ all of which sell sexual companionship to male customers. Bangkok's sex industry first reached this scale when thousands of American GIs, wallets stuffed with dollars, came for rest and recreation away from the horrors of the war in Vietnam.

Regional entertainment centers also grew up around the airbases where 40,000 U.S. servicemen were stationed in the late 1960s. By the time the last American troops left Thailand



Randy West

The Single Man's Travel Guide to Southeast Asia.



in 1976, Asia's tourist boom was underway. Lured by cheap air fares, plentiful hotel rooms, and promises of exotic pleasures, twice as many civilian foreign visitors came to Thailand—primarily Bangkok—in 1973 as in 1969. Tourism provided 11 percent of foreign exchange earnings. In an ironic symbol of the integration of the GI-oriented sex service industry into the Thai economy, the old Joint U.S. Military Advisory Group headquarters has become a short-term hotel catering to prostitutes and their clients. Among tourist arrivals, men outnumber women two to one.

Americans, Germans and Japanese are the most numerous foreign tourists, and travel agencies in those countries hawk the attractions of Thailand in no uncertain terms. A brochure put out by the German Rosie Reisen (Rosie Travels) agency notes:

Thailand is a world full of extremes and the possibilities are unlimited. Anything goes in this exotic country, especially when it comes to girls. Still it appears to be a problem for visitors to Thailand to find the right places where they can indulge in unknown pleasures . . . Rosie has done something about this. For the first time in history you can book a trip to Thailand with exotic pleasures included in the price.

The detailed itinerary includes such entries as:

Breakfast in the Royal Hotel, rest of the day free. In the coffee shop there are many girls available. You can take them to your room, of course²

Planeloads of Japanese men come with similar expectations, and Americans are offered "single men's guides" by airlines, hotels and travel agents.

Bangkok's night life is not confined to a cluster of back streets. Rather, it is a prominent feature of the city's culture, with large neon signs proclaiming the presence of massage parlors in the heart of major business and residential districts. Stories about massage girls and their disputes with clients are the stock in trade of the yellow press. Prostitution is officially illegal, although it is openly tolerated. Massage parlors, operating with police protection, are one of the most common fronts for its practice. This study is based on interviews with 50 masseuses employed in nine parlors, ranging from sleazy to plush.³

One of the lowest grade massage parlors is in a three-storey building down an alley off one of Bangkok's business streets. The entrance leads into a bar and coffee-shop with soft lights and night-club decor. Several cubicles contain tables and arm-chairs where customers can sit and drink. Next door is a glass cage where the women sit in dim artificial light. Outside the cage is a row of benches where the men sit while they make their choice. The client picks a woman by the number pinned on her blouse and pays the appropriate fee at a desk to one side of the cage. He can take her to drink in the coffee shop, but usually they move directly upstairs, where all pretences fall away. There are no massage facilities at all. Most of the customers are wage-laborers, taxi drivers and other low-income young males.

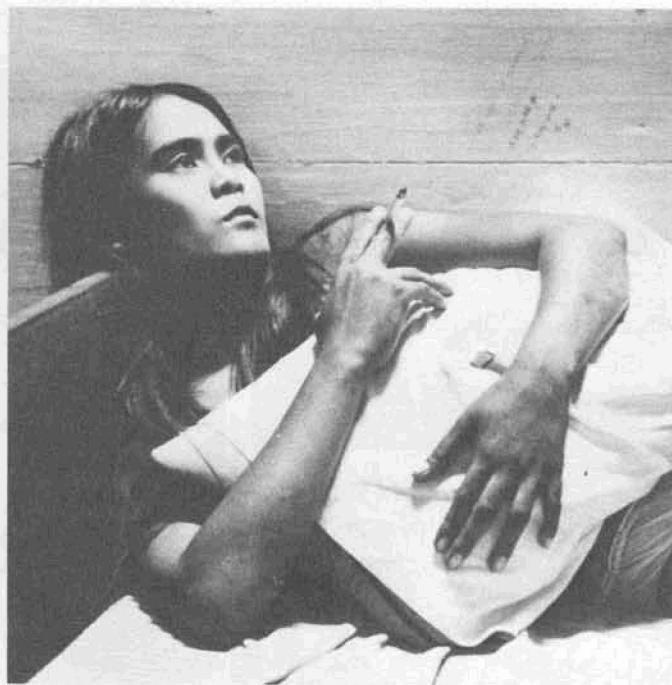
The women in such low-class establishments are divided into the pretty—who cost \$3 an hour—and the plain—who can be had for \$2. The women receive between one-quarter and one-half of this fee, depending on their status. The lower rate goes to “bonded” women. They have been brought to the place by a recruiting agent, who has usually advanced money to their parents and requires them to work off the debt. These women live in the upstairs section of the parlor and are carefully guarded to keep them from running away. Free-lancers, who have entered the parlor on their own, receive the higher percentage of the client's fee. They generally live off the premises.

The upmarket establishments give a different impression, although the end product is similar. One large parlor situated among hotels, office buildings, and public buildings, announces itself with gushing fountains and tall neon lights. Inside are 400 rooms, each with its own decor; the client can choose floor-to-ceiling mirrors or a room finished entirely with imported marble, but none of the rooms has windows. The labor force includes 400 women. In this and other high-class parlors, the

“You can book a trip to Thailand with exotic pleasures included in the price.”

women are recruited by advertising vacancies and taking applications rather than through agents. New workers receive two or three days of training in the establishment's particular style of massage at a cost of \$5.

Three hundred of the women offer the regular massage at a fee of \$4 per hour, while the remaining 100 offer a special service provided in pairs for \$17.50 per half hour. The women receive 38 percent of the customer's fee. If the customer wants more than the massage he has paid for, he must negotiate directly with the woman. She keeps all of what she earns for “special services.” Some of the better parlors provide lodging and regular medical checks for the masseuses, in which case the women receive a lower proportion of the massage fee, from 25 to 35 percent.



Randy West

About half the clients in the high-class massage parlors are foreigners, according to the estimates compiled by *Thai Rath* newspaper (June 20, 1980). Another 30 percent are Thai-Chinese businessmen, and 15 percent are civil servants.

Prostitution, concubinage and sex-for-sale have, of course, long been familiar and accepted elements of Thai society. But while even in this century certain elite figures have boasted as many as 100 wives, commercial sex never came close to today's scale until foreign demand for it soared in the mid-1960s. For the country as a whole, current estimates place the number of women in the “sex industry” at between 500,000 and one million. Taew's story illustrates the significance of this figure not only for the women themselves but for their families as well. The overwhelming majority of Bangkok's prostitutes and masseuses are migrants from the North and the Northeast, Thailand's two poorest regions, and they are often their families' principal cash earners. In many cases, there are no alternative sources of income to supplement inadequate agricultural production.

Lek is 16 but claims to be 18. She comes from a village in Chiangmai province and is one of five children. Plump and plain, she receives 50 cents per client per hour for work in a low-class massage parlor which is really a brothel. Her parents owe the agent who brought her in \$150. Lek's family lives in a well-built house inherited from her mother's parents. They once owned four acres of rice land and were self-sufficient in food, but medical bills incurred by the ailing grandparents had left the family in debt by the time the grandparents died. Not long afterward, a series of dry years plunged them further into debt as poor crops continually failed to meet their basic needs. For a while the eldest son contributed small amounts from his earnings as a pedicab driver in Chiangmai city, but when he married his contributions stopped.

After years of borrowing from relatives, Lek's parents were finally forced to turn to a Chiangmai merchant, offering their land as collateral. In 1976 they could not repay the debt on time and lost the land. For the next three years parents and children

WE'RE WAITING FOR YOU!



Fair Lady

COFFEE SHOP & PIANO BAR

ALL DAY & NITE
HAPPY HOUR
PRICES **B 25**
PER DRINK



A. Lin Neumann



Randy West

All the ways you can sell
more Hong Kong this year!



HONGKONG



Randy West

gathered forest products to eat, and the parents worked as laborers on a neighbor's farm for \$1 a day during harvest seasons. In 1979, several villagers found an empty tract of land six miles away in a forest reserve. Lek's parents joined others in farming the land from scratch: they cleared the trees, burned the wood and made it into charcoal, and eventually raised just enough rice for the family to eat. Lek worked with her parents, while the younger children stayed home, not even going to primary school (which is compulsory and free). The family still had no cash income.

Lek did not like the heavy labor on the forest land, and she was impressed by girls she had seen go to Bangkok and return in fancy city clothes. In early 1980 an agent offered to lend her parents \$75 if they would let him take Lek to work in Chonburi. Lek and her parents agreed to the deal, which soured when the agent paid only part of the sum he had promised. Lek's father threatened to go to the police, and the deal was renegotiated, with Lek moving to the massage parlor in Bangkok. Within two weeks, Lek's mother had fallen ill, and her father came to her Bangkok employer to ask for a further advance of \$75. Half the women working at Lek's parlor are "bonded." The receptionist there says the agent treats them harshly if they refuse to work. Lek says she does not like the work and wants to go home, but she does not know when she will be free.

In our sample of 50 masseuses, half were from the North and one-fourth from the Northeast. Another study of 1,000 women found 75 percent coming from the North.⁴ Three-fourths came from farming families, and the others from families of small traders and wage laborers, and three-fourths had less than four years of formal education. Most came from large families with five to seven children. (The mean household size for rural Thailand is 5.5 members.) For the overwhelming majority of the women, the primary reason for coming to work in Bangkok was the family's need for more income. The most popular age for leaving home was between 18 and 23. Two-thirds came directly from their villages to the massage parlors. The most frequent first jobs for the remaining third of the women were housemaid (earning \$15-\$20 a month) and waitress (\$20-\$30 a month). Thirty-three had already been married, and of these 27 were divorced, 10 as a result of the husband's abandonment. Two had run away from their husbands, one was being forced into the massage trade by her husband, and one had her husband's consent. All but one had been in Bangkok less than five years, and nearly two-thirds had worked as masseuses for two years or less. Another third had been in the trade for two to four years. Nearly half were between 21 and 25 years old, and a third were younger than that. Nearly a quarter



A. Lin Neumann



Randy West



A. Lin Neumann



A. Lin Neumann

expected to quit the business in a year or less, while one-third expected to stay in it "until I have earned enough."

"Enough" was defined variously, with targets ranging from paying off debts to financing siblings' education, building family houses, and setting up small businesses. Most had clear future ambitions, with 40 percent hoping to open small businesses. Others hoped to return to farming, marry, become a "minor wife" to a rich man, or move to other wage jobs. Only three did not want to quit. Thirty-six of our interviewees reported on what friends who had left the massage trade have done: over half had married, with most returning to the countryside; seven had set up small shops; and seven were still drifting in and out of the business. Current income for the women questioned ranges from \$75 to \$750 a month, with over half earning \$150 to \$300 and another quarter earning more than that.

Questions which were intended to probe how the women feel about the quality of their lives brought mixed responses. They had little good to say about their clients and expressed dissatisfaction with Bangkok society, but some told female interviewers that they were enjoying themselves. These were both the more attractive and successful masseuses and those who were escaping from unhappy marriages. They had money in their pockets, some occasional pleasure from the work, and a

chance to get ahead. Glamorous stories about the most successful masseuses gave them hope and a kind of vicarious pride based in part on Thailand's tradition of socially mobile concubines and courtesans. There is always the chance of being swept away by a rich businessman or a foreigner. Yet the hazards were also clear: many of the women have to pay for their own VD checks and doctors' bills. Dr. Thepanom's study of the health of 1,000 masseuses found 41 percent with VD. These 1,000 had borne 752 children, and 190 had had abortions—which are illegal and consequently dangerous in Thailand. Many of those we interviewed also had children, who are

Fifty masseuses listed 200 dependents—parents, siblings and their own children.

usually cared for by relatives. A quarter of Dr. Thepanom's sample used drugs regularly.

Although only 13 of the 50 women we talked to tell their families what they are doing in Bangkok, all but four of them remain in regular contact with their families. Altogether, they

listed 200 dependents, mostly parents, siblings and their own children, and most of the women said they send home one-third to one-half of their earnings regularly as well as supplying additional sums for special needs. Most commonly, these remittances help the family meet current living expenses and pay school fees for brothers and sisters. Eight women have built houses for their parents, and most of the others planned to do the same. This conception of themselves as family breadwinners was strikingly characteristic of all but four women in our sample—a vivid contrast to the individual escape from drudgery which often motivates young people migrating from countryside to the bright lights of the cities.

Mai's parents used to work as wage laborers and live in a thatched hut built on the land of a distant relative. They now live in a handsome, two-story house. Mai earned the money for the house by working for three years as a call girl and then a masseuse in Bangkok. She is now 23 and trying to fit back into the life of the village despite her ill health.

Mai went to work as a housemaid in Bangkok when she was 17, earning \$5 a month. After two months an aunt persuaded her to abandon her job and become a call girl in the aunt's "hotel." The aunt arranged the first customer. After two years, Mai had earned enough to start her parents' house, and the aunt had to sell her establishment. Mai and her aunt returned to their village.

Although her family was hard hit by the sudden loss of income, Mai accepted a marriage offer from a divorced man of 40 who wanted someone to look after his children and his farm. Mai's husband agreed to finish her parents' house but failed to deliver on his promise even though she and her brother were both working on his farm. Mai grew increasingly dissatisfied, but she had become pregnant. Just as the situation began to seem irreversible, Mai's aunt paid her a visit to suggest that she could return to a glamorous Bangkok life if she would get rid of the child and leave her husband. Mai managed to abort herself and accepted a \$250 advance from her aunt.

Arriving in Bangkok after several weeks of recuperation, Mai found that her aunt's current establishment was the low-grade brothel where Lek worked. Not only was she stuck in very unglamorous surroundings, but she was "bonded" and received only a small part of what she earned until her debt to her aunt was paid off. After eight months, she had apparently paid the debt and had paid for the rest of her parents' house. But she had never recovered from the abortion, and the work had given her VD, so Mai returned home. When we met her, it was clear that she was starting a new career as an agent, looking for attractive women to introduce into the Bangkok sex trade.

The North and the Northeast, the regions providing the majority of Bangkok's masseuses, are the poorest in Thailand. In the Northeast extremely poor land makes farming a precarious affair in which even relatively large tracts of land produce barely enough to feed their cultivators; there is no surplus which could become rent. Thus there is little tenancy, and per capita income is extremely low. The construction of a network of good roads to U.S. airbases in the Northeast during the 1960s brought new crops to the region and helped generate a significant expansion of cultivated acreage to accommodate a growing population. But without new technology, the farming family cannot do much to raise its income above subsistence level whatever crop it grows. Capital has not been available to introduce new farming methods or other kinds of production.



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Hence, the expansion of production in the Northeast merely means that the region is slowly filling up with more and more farmers of a roughly similar level of desperate poverty.

In contrast, the North contains some of the country's best rice land, but it is confined to narrow strips along the rivers. Hill land, which covers most of the region, is much harder to farm successfully. The disparity in land quality is reflected in a much greater economic spread: the majority of families own some land but depend on tenancy and wage-labor to supplement what they produce on their own land. Many indenture themselves to more successful relatives or shuttle back and forth from their villages to towns and cities in search of seasonal work. In villages which are linked to towns by roads and trade patterns, wealth and poverty exist side-by-side, with merchants, money-lenders and landlords occupying privileged positions at the expense of their neighbors.

We visited five villages from which women we interviewed in Bangkok had come. One was in the Northeast and four were in the North. Don Barg, in the Northeast, is a remote village of 102 families. The nearest town is 12 miles away over gravel roads; a bus comes twice a day. Agricultural holdings are relatively large, but the average crop is just enough for a family's subsistence. Because of its poor communications, Don Barg was hardly affected by the growth of Udon as a U.S. airbase or by the

road which now connects Udon to Bangkok. The villagers grow rice rather than commercial crops, using buffalo to pull their plows and relying on rainfall for moisture. Married women weave their own cloth, make their own bedding and their own household utensils. They catch fish in the village pond and weave baskets to use themselves and to sell in local markets. Many of the villagers live in large, old wooden houses which were built when timber was freely available, and the village used to build houses for sale to other localities. But the surrounding forest has disappeared, and there are no new houses and no traces of the construction trade. Don Barg is the home village of Taew, whose father owned no land until his oldest daughter went to serve American soldiers.

In the North, the districts of Phang and Dok Kam Tai are also remote, but, unlike Don Barg, they show signs of former prosperity. They sit astride an old trading route, but commerce has fallen off and agriculture is now their primary source of livelihood. The average land holding is about three acres, approximately what it takes to produce a family's bare subsistence; 2,000 families have no land at all. While some of the land is used for commercial crops, these are vulnerable to a market which cannot absorb the products of remote areas when demand slackens. During the dry season, only the small plots along rivers and streams are cultivable, so there are long unproductive periods in every year. The region has long been a thoroughfare for the opium trade, and underemployed youth in particular become involved in the trade and addicted to the drug. Until the early 1970s, it was very difficult for children in these districts to go beyond the compulsory four years of schooling. A vocational training center on Dok Kam Tai now provides girls with lessons in cooking and dressmaking, but there

are few opportunities to earn money at these trades. Migration still provides the best chance to earn additional income.

The villages of Vieng Pa Pao and Tung Kwian, also in the North, are nowhere near as remote, since both lie on roads out of the regional capital of Chiangmai. Here the problems are the result of the villages' basic poverty and their collision with urban capitalism. Tung Kwian has 210 households and 160 acres of land, which is so rich that 1.6 acres feeds a family of six. But three-quarters of the families own no land at all and depend on wage labor or exploitation of the surrounding forest for their livelihood. During the 1970s the villagers petitioned the gov-

The region is filling up with more and more farmers at a similar level of desperate poverty.

ernment for permission to work a tract of land in the forest reserve, and permission was formally granted. But they were never allowed to begin working the land, and eventually police threats forced them to give up their demands for it. Shortly afterward it was turned over to an army officer, who made it into a pineapple plantation. Virtually all the young people from the landless families now migrate to Chiang Mai or elsewhere to find work. Vieng Pa Pao, the home of Mai, is also a poor village which cannot rely on agriculture alone. The villagers used to supplement their income by small-scale tin mining, but when a large firm took over the mine concession, it ceased purchasing local gleanings and forbade all small-scale mining and dredging on their territory. In both Tung Kwian and Vieng Pa Pao, new



Randy West



urban investments have blocked off opportunities which had been available to villagers without adequate land.

All five of these villages are among the more remote and less well-endowed within regions which are relatively backward. All five have previously relied on non-agricultural sources of income which no longer exist, either because the forest has been depleted or because private interests have cut off access to them. None of the five offers opportunities for local employment, forcing young people to choose between long periods of forced idleness or migration. Don Barg and Tung Kwian have sent few young women as migrants, but the other three villages have become regular contributors to the stream. From Vieng Pa Pao, young women had begun going to work as maids, and several of them had then drifted into "special services." A several-year period of poor rainfall in the early 1970s created a local crisis which pushed large numbers of young women into migration. Since then, Dok Kam Tai in particular has acquired considerable notoriety for the number and beauty of the young women it sends south. Some have returned and now act as agents, providing "guaranteed Dok Kam Tai girls" to certain places in Bangkok. The postmaster estimated that the value of the remittances sent from Bangkok to Dok Kam Tai's 60,000 people had multiplied 130 times in six years. In 1979, it totalled \$3.8 million. The postal service had provided the postmaster with only \$180,000 to clear money orders.

The choices facing these villagers are a direct result of the development strategy which Thailand has pursued for the past quarter century—based on the export of primary products and the maintenance of a cheap and docile labor force which would attract international capital. That strategy has produced spe-

cific consequences for the evolution of Thai society. On the one hand, it has concentrated wealth and political power in Bangkok. At the same time, it has condemned the countryside to a course of growth without development: without new resources flowing into agriculture there has been no way to make the work of individual peasants more productive. Better communications and marketing systems conveyed the pressure of world demand into the countryside and induced a massive

Migration gave poor young women an earning power which was simply astounding compared to normal rural budgets.

expansion of primary production. But this was achieved without substantial technological change or extensive social engineering. More and more farmers were doing more and more of the same thing.

Expansion was unevenly distributed. In part the unevenness was geographic. The benefits were greatest where there was a reasonable network of communications and marketing established when Britain dominated Thailand's external trade, most notably in the Central Plain. It was a different matter in a village at the end of a long dirt road or on the other side of a craggy hill. In part the unevenness was social. Expansion benefited those who already had control over productive assets (particularly land), or who had the political clout to establish

such control. For those without social or geographic advantages, however, expansion was a force pushing them closer to the margin. One element of this process is nicely summed up in the statistics on forests, the last resort of the poor. Between 1947 and 1977, the area under forests diminished by half.⁵ Much of what was left was on the slopes of distant hills. The margin was rapidly being erased.

But the chief effect of the development strategy was not simply that it swelled the city or that it constrained the countryside within a pattern of growth-with-stagnation. Rather, it was the combination of these two. The gap in incomes and opportunities between city and country stretched enormously wide. This provided the setting for migration. On one end, the urban earner could buy the services of a woman at a price which was relatively cheap within his personal budget. The Thai customers at massage parlors extend through the whole range of social classes and income levels. At the bottom end of the market, buying the 75 cent trick, they include laborers and taxi-drivers. For the women from poor rural backgrounds, however, the migration provided an earning power which was simply astounding compared to normal rural budgets. Two or three years of work would enable the family to build a house of a size and quality which few people in the countryside could hope to achieve with the earnings of a lifetime.

A similar economic rationale extended to the international arena. When Thailand began to place more emphasis on the export of goods and services produced by cheap urban labor, sexual service was one sector in which the largely unskilled labor force already enjoyed a distinct "comparative advantage" without requiring further investment incentives. The marketing of this sector more or less looked after itself. The "comparative advantage" stemmed in part from the availability of women, which resulted from the development of the trade to service U.S. troops, but it also stemmed from the favorable price. The agencies which marketed sex tourism stressed not only that the bar of the Grace Hotel was full of women, but also that they would cost so little. The hardening of German, Japanese and Arab currencies in the late 1960s and early 1970s also reduced the real price the tourist had to pay for "special services."

It is within an economic system structured in this particular way that the actions of the migrant women must be understood. They are not fleeing from a family background or rural society which oppresses women in conventional ways. Instead, they are engaging in an entrepreneurial move designed to sustain the family units of a rural economy under increasing pressure. They do so because their accustomed position in rural society gives

them a considerable responsibility for earning income to sustain the family. This particular business offers returns far outstripping anything else available to them.

The migration is thus an intrinsic part of Thailand's economic orientation. Thailand's strategy rests internationally on accepting a dependent and vulnerable role in the world economy. Internally it requires that the primary sector remain dependent and tractable. A business which sucks women out of the poorer parts of the countryside and sells their services to the urban earner and to the foreign visitor is merely the mirror image of this hierarchy of dependence. Young women are one of the rural resources to be exploited for the sake of the balance of payments and urban growth. Sexual tourism is one of the services available through the open door of the open economy.

The only real solution is a long-term one. It lies in a massive change in the distribution of income between city and country. And it requires a fundamental shift in Thailand's orientation to the international economy. □



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NOTES

1. Thepanom Muangman *et al.*, *Report of a study on education attitude and work of 1,000 massage girls in Bangkok with special reference to family planning, pregnancy, abortion, venereal disease and drug addiction.* (Unpublished paper in Thai: Bangkok, 1980.)

2. Quoted in "Sex Tourism to Thailand," *ISIS International Bulletin* 13 (1980).

3. Interviews conducted May-June 1980.

4. Thepanom, *op. cit.*

5. "What do we know about land problems?" in *Varasarn Setakit lae Sangkom* (Economic and Social Journal), published by the National Economic and Social Development Board, Bangkok, January-February 1980, p. 9.

OFFICIAL BLESSINGS FOR THE “BROTHEL OF ASIA”



Randy West

The Thai government likes tourist money—and won't risk limiting the country's sex trade.

Santi Mingmongkol

The Thai government is embarrassed by Bangkok's reputation as the "Brothel of Asia," but it doesn't want to jeopardize the tourism industry, now the country's third largest earner of foreign exchange. "The benefits of tourism," says Col. Somchai Hiranyakit, director of the Tourist Authority of Thailand, "are greater than the disadvantages."¹ While some government officials call for the legalization of prostitution and an occasional public relations effort—such as an invitation to a Japanese women's group to tour Thai temples—seeks to change Thailand's image, the prevailing government attitude toward the nation's sex industry is one of "hear no evil, see no evil."

Tourist arrivals in Thailand jumped from 250,000 in 1965 to 1.1 million in 1976. By 1979 the number had risen to nearly 1.6 million, and the government projected a figure of 2.2 million for 1980, designated the "year of the tourist." Earnings for that year were projected at \$585 million. This figure is the government's primary concern, since it regards tourism earnings as an important offset to its chronically serious balance-of-payments deficit.

To celebrate the year of the tourist and help make its projections come true, the government of Gen. Prem Tinsulanond simplified immigration procedures for tourists from Hong Kong, Taiwan and Malaysia and extended all tourist visas from 30 days to 60 days. An international airport opened in the northern city of Chiangmai, and government-backed hotel firms undertook the construction of 6,000 new first-class hotel rooms throughout the country. Then Deputy Minister of the Interior Police Gen. Chumpol Lohachala declared late in 1979 that his department would "respond to the Cabinet's resolution (to promote tourism) by lengthening service hours of entertainment places in Bangkok to welcome tourists."²

The year of the tourist was preceded by official efforts to bring the industry—which grew upon the basis of helter-skelter entrepreneurship during the 1970s—under some kind of government control. Col. Somchai noted that legislation to regulate the industry was "absolutely necessary. A law is needed to protect tourists from being cheated or taken advantage of."³ The proposed regulations, characterized as "gestapo-like" by industry representatives, sought to establish standards of service and prices for hotel rooms and tour packages. The establishment of the TAT to replace the Tourist Organization of Thailand gave the government more clout in promoting tourism.

Santi Mingmongkol covers Thai affairs for SRC.

None of these assertions of authority, however, touched on the sex trade.

After a half-century of regulation, prostitution was made illegal in Thailand in 1960. A 1928 Law on the Traffic in Women and Girls made it illegal to bring women or girls into Thailand or take them out for the purpose of prostitution. Hence the use of massage parlors and tea houses as fronts for prostitution and the disguise of women being sent to European brothels as brides. Nobody is fooled by the cosmetic facades, but they make it easier for such people as Col. Somchai to downplay the social issue by declaring that, after all, prostitution is a universal phenomenon, overlooking the fact that somewhere between five and 10 percent of Bangkok women live by selling their bodies. Deputy Prime Minister Boonchu Rojanasathian is even more complacent. Speaking at a national conference of provincial governors in October 1980, he urged them to contribute to the national tourism effort by developing scenic spots in their provinces while encouraging "certain entertainment activities which some of you may find disgusting and embarrassing because they are related to sexual pleasures."⁴

The contradiction between such official visions and reality leads to a peculiar kind of schizophrenia. On her way to Copenhagen to attend the U.N. Decade for Women World Conference, Khunying (Lady) Amporn Meesook told *Siam Rath Weekly* (July 13, 1980) that "a lot of Thai women have been lured into prostitution overseas. It is pitiful and miserable for the women themselves, and at the same time the nation's reputation is stained. We will seek cooperation with other nationals at the conference to prevent further practices of this type." Yet the report which the socially prominent Thai women's delegation, headed by Khunying Amporn, took to the conference barely hints at the situation. Authored by the Thailand National Commission on Women's Affairs and entitled *Aspects of Thai Women Today*, the 105-page pamphlet includes eight chapters and four appendices. Under "Existing Problems of Urban Women," it remarks; "Certain groups of women pursue socially undesirable occupations which cause physical hardship and affect their emotional health. In some cases, they are physically abused and taken advantage of by unlawful employers and pimps." Cause for concern, to be sure, but hardly a national emergency.

The recommendations for dealing with the problem are as timeless and placeless as prostitution is commonly alleged to be: The government should curb the expansion of "undesireable" activities and suppress physical mistreatment of these women. It should control nightclubs, massage parlors and the unlawful sex trade and severely punish those who violate its regulations. Only in the third major recommendation is there an indication that more is at issue than a few unfortunate and misled women: "The tour policy that draws tourists with carnal pleasures as attractions should be eliminated."

Various welfare and humanitarian organizations have undertaken efforts to rehabilitate or retrain masseuses and prostitutes with little effect, since no other occupation open to the poorly educated offers similar financial rewards. Deputy Minister of Education Kunthong Pupiewduan suggests that "We should try to cure it by following Buddha's teaching of leading a simple life."⁵ One has to go quite far from official circles to find anyone who is willing to confront the issue of Thailand's sex trade as it really is. A newly organized Women's Friends Group led two protests in January, one directed at Boonchu for his advocacy of sex tourism and one directed at Japanese Premier Zenko Suzuki for his country's role in sending sex-hungry tourists to Thai-

land. In the parliament, Representative Supatra Masdit (Democrat, Nakornsrithammarat) has taken an outspoken role in protesting government policies which amount to sponsorship of large-scale prostitution. Her efforts are more likely to have an educational impact than to result in legislative action, given the composition of the legislature. On the other pole, Representative Saman Chomputep, (Independent, Lampoon) suggests the establishment of a National Prostitution Bureau.

As long as the Thai government views tourism chiefly in terms of foreign exchange earnings, the flesh trade is likely to flourish in Bangkok. It is likely to spread as new international hotels entice visitors to other regions.

In 1979, 233,820 persons visited the South as tourists. According to Bangkok's *Nation*, July 4, 1980, "Over 50 percent of tourists visiting the South each year are Malaysians and Singaporeans, and most of them have the sole purpose of enjoying the nightlife here." Thousands of women from the North and Northeast have come to the southern town of Sungai Kolok, near the Malaysian border, to serve these customers.

Commercial sex does not depend exclusively on a foreign clientele, of course, and it is available to Thais throughout the country. But the wealth which foreign visitors bring has fertilized the seed, creating a monstrous plant which now overshadows and sucks nourishment from the whole country while the government merely praises the green of its lush foliage. □



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NOTES

1. *Far Eastern Economic Review*, January 9, 1976, p. 28.
2. Nisit Nak Suksa (Student), January 1, 1980, p. 29 (in Thai).
3. *Asiaweek*, August 3, 1979, p. 40.
4. *Samnakhaw Prachachon Judaakhon* (People's October News Agency) November 20, 1980, pp. 1-2 (in Thai).
5. *Asiaweek*, January 9, 1981, p. 16.

A Poem of Bali

Because of belief in industrial vigor
the certainty that art & nature's beauty
can increase national capital
Bali became the tourist object.

Moreover:
without such courteous certainties
Bali must be prepared for Tourists.
Because:
the jet-planes are made,
the airline companies must run.
There must be people to fly
They must create a destination to sell.
And human leisure
along with family vacations —
the companies must glue them
and industrialize them.

And Bali
with all the arts
culture, and nature
it must be cleaned up
wrapped in gift paper
and served to the tourists.

Jet-plane on the edge of Brazilia's forest
facing the Badui encampment
which is more inscrutable
a culture shock
more sudden than dreams.

Here's a new power.
So fast we're caught, readied.
So fantastic our attention's caught.
While we're confused
the jet-plane shooting out from a dream,
brought the shape, the capitalism of strength:
airports, "hotel-and-coca-cola,"
broad avenues and all the tourists.

"Oh, look, honey-dear!
See the natives!
They climb the coconut trees like monkeys.
Fantastic! We must photograph them!

Careful! Don't hold their hands!
Just smile and say hello.
You see their hands are dirty.
Who knows if there's pinworm eggs.

My God how magnificent their purity.
Oh they don't cover their breasts.
Look John, this really is a breast.
Look you, here! Oh how pure!
They're free and easy.
I want to be like them . . .
Okay! Okay! . . . I was only saying it.
I know you don't like me without a bra.
Look now John, don't get jealous!
Stand next to her,
I'll take a picture from here.
Ah! Fabulous!"

The World Bank is
always interested in helping poor nations
make giant projects.
The meaning: 90% of the materials must be imported.
And our progress
is the serf's progress
or the middleman's or the consumer's.

So in Bali
native hotels are bankrupt
oppressed by packaged tours.
The people's culture stained
oppressed by international standards
of commerce.

Dances no longer are a mantra
but only entertainment features.
Chiseling and carving no longer the soul's expressions
but only handicrafts.

Life is overpowered by human desires
ignoring nature's ways.
Human power, desire
strongly institutionalized,
does not care for the instincts of kidney,
heart, gall, grin, and — forest.
In Bali:
beach, mountain, bedroom and temple
are soiled.

W.S. Rendra

W.S. Rendra, renowned Indonesian poet, wrote this as part of a collection, *Pamphlet Penyair*. For more on Rendra, see *Southeast Asia Chronicle* #63. This poem was translated by an Indonesian studying in the United States.

TOURISM BY DECREE

Tourism has been little help to the Philippine economy; it has given a boost to President Marcos' political fortunes. But the emphasis on tourism has opened the way for attacks on Marcos' authoritarian rule.

Linda Richter

Philippine First Lady Imelda Marcos is building a beach. She is spending \$4.5 million to install a white sand beach on polluted Manila Bay—an attempt to replicate the starlets-bikinis-and-paparazzi ambience of Cannes for the country's forthcoming international film festival. She seems oblivious to the polluted waters of the bay and the strong currents which will wash the sand away in a couple of weeks.

Although the festival will not be held until 1982, Mrs. Marcos organized an expensive dry run early this year complete with stars Brooke Shields, Franco Nero and Peter O'Toole. But this undertaking is just a foible compared to other extravaganzas behind the scenes of "The Philippine Tourism Miracle."

It is ironic that Philippine tourism did not take off until after the imposition of martial law in 1972. That year, just over 166,000 tourists visited the country. By 1979, the annual total was near 967,000—pushing the one million mark which certifies a true tourist Mecca. The 1972 crop of tourists spent a mere \$38.2 million; the 1979 group parted with \$450 million.

If the explosive growth of Philippine tourism after the declaration of martial law is ironic, it is not difficult to explain. Martial law provided President Ferdinand Marcos with the absolute control over the government's economic and political resources which enabled him to push tourism at breakneck speed. Touting tourism as "an industry that is crucial to national development," Marcos spent hundreds of millions of dollars to build luxury hotels and to sponsor publicity-generating events ranging from bankers' conventions to beauty contests.

Linda Richter teaches political science at Kansas State University in Manhattan, Kansas. This article is adapted from a paper she originally wrote for the 14 January 1980 issue of the Journal of Developing Areas. The research for the article was conducted while Richter was a research associate at the University of the Philippines College of Public Administration and was supported by a research grant from the Philippine-American Educational Foundation. The argument presented here is developed further and expanded in Land Reform and Tourism Development: Policy Making in Martial Law Philippines (Schenkman: forthcoming).

The government uses an economic rationale to justify its often questionable expenditures to promote tourism. Tourism generates employment and foreign exchange, the theory goes. In practice, the economic argument explains only a small part of the Marcos regime's frenzied promotion of tourism. The major explanation can be found in the political uses of tourism.

The hundreds of thousands of tourists who come to the Philippines each year provide a most direct and graphic illustration of the powerful ties that bind the Philippines to the United States and to other developed nations. The promotion of tourism since 1972 is part of the government's strategy of "export oriented" development. Any examination of tourism must thus take into account its real impact on the country's foreign debt—a gargantuan \$12 billion—and the increasing dependence of the economy on foreign trade.

Today's luxury hotels and other amenities of Western urban living were not built simply for the tourist. More important, they are for the Western bankers, business people and politicians who make the decisions on trade, loans, aid and investment in the Philippines. The goal is to project an image of stability and legitimacy through carefully orchestrated hospitality. The country may have been under martial law, but as government propagandists said, it was "martial law with a smile." (Formally, martial law was ended in January 1981, but the essential structures of Marcos' authoritarian rule remain intact.)

Two of the most prominent manifestations of the regime's commitment to tourism are the Ministry of Tourism and Manila's altered skyline. The tourism post was the first cabinet level office created after the imposition of martial law, and it is headed by one of the country's political heavyweights. The skyline now boasts more than a dozen new luxury hotels.

The Ministry of Tourism has emerged with a toughness and clout that belies its modest budget. At a time when all other government ministries have been ordered to decentralize their operations, the Ministry of Tourism is an exception of strict centralization and ever-increasing responsibilities. Nothing related to tourism is beyond its purview. It controls everything from tourism planning, licensing, tariffs, inspection and accounting procedures to promotion and representation abroad in anything that involves tourism. It has wrested from local con-

trol the right to inspect, supervise and license any establishment catering to tourists.

Not surprisingly Jose Aspiras, the minister of tourism, is today considered one of the most powerful and influential persons in the New Society (Marcos' term for martial law rule). Though reputed to be part of the Marcos "troika" as early as 1966, Aspiras was not recognized as a power in his own right until the tourism post thrust him into the limelight. Even today administrative issues are not his forte, and he is seldom found at his office in the palatial ministry headquarters. Instead, he is a tireless traveler on behalf of the president's foreign policy and an indefatigable host at the frequent parties and tours arranged for foreign guests. As minister he also heads the powerful but little-known Philippine Tourism Authority, the Civil Aeronautics Board and the new Philippine Convention Bureau.

More conspicuous than the Ministry of Tourism are the new luxury hotels. Between \$410 and \$545 million of government money is now directly tied up in hotel financing. Sources differ as to the exact figure. Most of the money is in loans for 13 hotels rushed to completion to accommodate delegates to the 1976 International Monetary Fund-World Bank meeting.

The importance of this commitment of resources is obvious from a few comparisons: The amount is between 30 and 40 times what the government has spent on public housing. It is more than the nation's total 1976 borrowing from the World Bank—\$315 million. (The government's Development Bank of the Philippines alone had lent a staggering \$229 million for tourism projects by July 1976.) The Government Service Insurance System, an agency similar to the U.S. Social Security Administration, became especially tied to two hotel projects. This left the GSIS so short of funds that housing loans to members—a major activity of the agency—were temporarily suspended.

Expenditures for infrastructure, one of the most important aspects of Marcos' development program, have been directed in significant measure toward tourism projects. Notable among them have been the projects of First Lady Imelda Marcos, none of which are formally included in the government's overall plans. Government officials have no control over these undertakings and costs are never published. They include the Philippine International Convention Center, with an estimated cost of \$150 million, the Philippine Center for Trade and Exhibitions and the Cultural Center of the Philippines.

In addition to these projects, the government is building a \$34 million road system linking new tourist spots in Cavite to Manila, spending \$45 million from an Asian Development Bank loan for tourism projects in the Southern Tagalog region, and using \$165 million in World Bank financing for port works projects in the Visayas and Mindanao areas. Additional millions of dollars are going for expansion and renovation of the Manila International Airport.

In its effort to promote tourism, the government has been willing to sacrifice its interests in other areas. The Civil Aeronautics Board, now under the tourism umbrella, was authorized to open the country to foreign airlines even though this hurt the government-owned Philippine Air Lines, to take one example. On top of being forced into competition with better established airlines, PAL had to comply with such tourist promotion programs as reduced air fares.

The media are also deeply involved in the promotional effort, often under explicit directions from the president. Major newspapers and radio and television stations are owned by the



A. Lin Neumann

president's relatives, who have been most supportive of the government's interest in tourism. Every major paper now has a tourism section; coverage of tourism events—and often of non-events—can only be described as relentless. One content analysis looked at the Philippines' three top dailies during a five month period in 1977. There were 12 stories on tourism for every one on agriculture, though land reform is supposed to be the "cornerstone of the New Society."

If the Marcos regime goes to extravagant lengths for events like the coming film festival, it also expends an astonishing amount of effort on much more modest affairs. One example is the May 1977 conference of the Pacific and Asian Congress of Municipalities. PACOM is a small organization of local government executives from countries in the Pacific basin. It has few resources and little influence.

Despite the fact that there were but 200 or so foreign guests and despite their relative lack of power and influence, the

Government loans for luxury hotels are 30 to 40 times what the government has spend on public housing.

regime went all out to woo them. Elaborate parties included dinners personally hosted by the First Couple, the mayor of Manila and the minister of local government and, of course, Minister Aspiras. Personal gifts, fruit baskets, attache cases and flowers were only the most obvious touches. It was in attention to the details of the delegates' week-long schedule that the mastery of inter-governmental coordination, control and secur-

ity were most awesome. All kinds of rules were bent to facilitate the arrival, departure and daily routine of the visitors—even to the point of making women available.

Only the immigration chief stood firm: no one was admitted without inoculations!

Such extravagance is relatively new. Though there had been some minor government support of tourism as far back as the early 1960s, the industry suffered from the nation's global image for lawlessness and corruption, coupled with its indifferent facilities for tourists.

This situation changed marginally when Marcos became president in 1965. He was aware of tourism's potential. But so long as the political environment was open, his first priorities had to be actions that would keep his political alliances intact. In the Philippines, this meant support for tangible projects of immediate importance for electoral politics.

After the declaration of martial law in 1972, the requirements for political survival shifted. The Marcos regime no longer had to worry about building domestic electoral alliances; international support was the key element. Marcos was confident that he could control the internal situation. In the long run, then, he knew that his survival would depend on his ability to secure international support for his "export-oriented" development strategy.

The U.S. government, the World Bank and the IMF encouraged Marcos to implement this economic strategy. In the Philippines, as in other countries, export-oriented development boiled down to selling cheap labor. And in the Philippines, as elsewhere, keeping the underpaid labor force docile has required an authoritarian political structure. Thus there were sharp contradictions between the requirements of democracy, which the developed capitalist world supposedly champions, and the economic interest of those developed countries in the Third World. The contradiction has spelled trouble for Marcos.

Even as the U.S. government, the World Bank and the IMF affirmed the shift to martial law with large increases in aid and loans, the Western media continued to attack Marcos on human rights grounds. The regime's international image made it

difficult to compete for trade and investment with other Third World governments offering similar economic incentives.

Tourism was quickly seized upon as a means to refurbish the Philippines' and especially Marcos' image. The promotion of tourism was, at the time, a relatively new and previously harmless government function which had no real enemies. It was not difficult to introduce, in sharp contrast to his key domestic program, land reform. That had required amazing feats of juggling power interests. In tourism, the president could build a potentially important industry which was critically dependent on stability and relatively unconcerned about political freedoms.

In the long run, Marcos' survival would depend on international support.

Tourists themselves mattered less in the early years of martial law than the publicity about tourism. The Ministry of Tourism launched an ambitious series of invitational visits to the Philippines for travel writers and tour operators. These groups could be depended upon not to bite the hand that fed them, and they were not likely to be preoccupied with civil libertarian issues. In a friendly, beautiful country it was enough that the gun slingers were gone and no tanks patrolled the streets.

To further the image of a peaceful, contented society, the Tourism Ministry built a promotional campaign around the Philippines' most important asset—a cheerful, hospitable people. The slogan "Where Asia Wears a Smile" was a particularly adroit choice for defusing criticism of life under martial law.

The government made aggressive efforts to attract international gatherings of global appeal. Once they were secured, the mobilization to insure their success began. The Miss Universe Contest in 1974 occasioned, among other things, such modern day pyramid building as the construction of the huge Folk Arts Theatre, where the contest was held, in an incredible 77 days of non-stop work. The costs are still unreported. The media event of 1975 was the "Thrilla in Manila" which pitted Joe Frazier against Muhammed Ali in their championship fight. Once again world publicity focused on the Philippines as journalists toured the country developing background stories for the spectacle.

But it was the IMF-World Bank conference in October 1976 that stimulated the most frenzied and politically-motivated use of tourism. As soon as the Philippines learned in late 1974 that its bid had been accepted, all pretense of orderly, phased tourism development was abandoned. No expense was spared to assure that this most prestigious international conference would find Manila a showcase of stability, prosperity, elegance and beauty. The prospect of 5,000 VIPs descending upon the country—even if only for a week—led to a stampede to complete within two years hotels that had been designed to open over the next decade!

Apparently the conference was a huge success, despite the fact that only 3,000 of the anticipated 5,000 came. Few delegates seemed to note the incongruity of a New Society, supposedly aimed at redressing inequities, which was spending many times more for the construction of luxury hotels than it was for public housing and land reform. Most were—as intended—impressed by the stability and attractiveness of the society, the tremendous growth in international investments, and the obvious improvement in law and order under martial law.



Patty Lee



While these major events garnered excellent publicity and encouraged tourism, a different type of offensive was needed to combat the especially bitter critics in expatriate circles abroad. The Marcos government has been extremely sensitive to charges of political torture, suppression and corruption by the regime. They have threatened to alienate the very substantial Filipino community abroad. Worse, the infection could spread, jeopardizing the increasingly crucial foreign aid and investment.

School children, as part of their class work, invited relatives abroad to come home for Christmas.

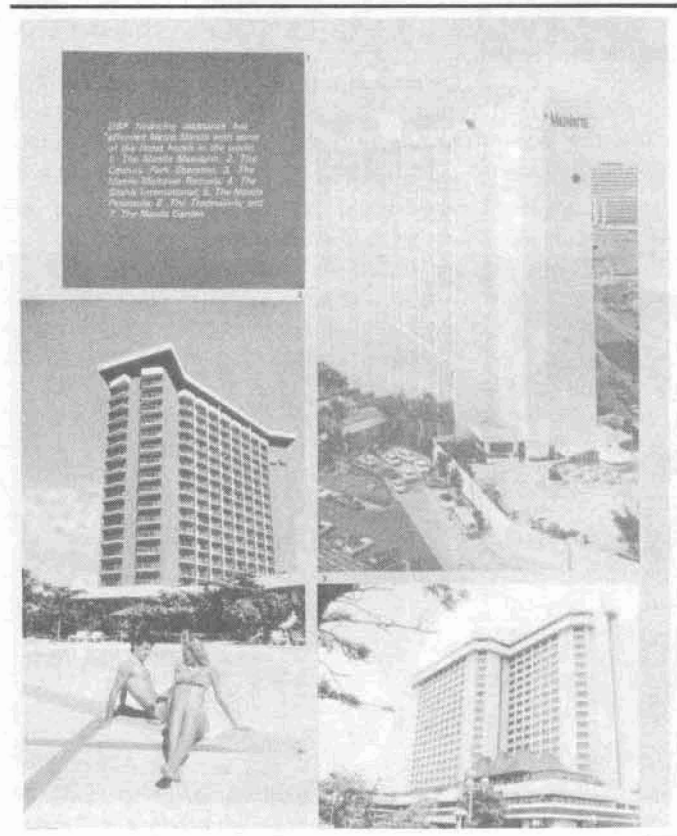
The response was masterful. The *Balikbayan* (homecoming) program began in 1973. This special tourism project required extraordinary cooperation among a score of national and local departments and agencies as well as embassies and consulates abroad. Hundreds of thousands of copies of an "Invitation to a Traditional Philippine Christmas" were sent to overseas Filipinos. School children, as part of their class work, personally invited relatives abroad to come home for Christmas. Local governments were charged with developing local festivities and welcoming committees. Immigration, tax and customs officials were instructed to exempt *balikbayans* from most requirements. Building on the closeness of Philippine family ties and the longest Christmas season in the world, the Department of Tourism constructed a package deal for *balikbayans* that promised a 50 percent discount on air fare as well as concessional rates on accommodations and shopping.

What began as a three-month program has been repeatedly extended. By now several hundred thousand have returned to the Philippines as *balikbayans*. The Department of Tourism estimates each *balikbayan* visit is worth nearly \$500 to the economy, but this may be an exaggeration. Few stay in hotels or tour widely. And the cooperation of so many government units, the expensive promotional campaign and the concessions involved have eaten heavily into any economic gains from the program.

Even where foreign visitors are concerned, the decision to concentrate on luxury tourism is extremely costly from a developmental standpoint. Today over 21 percent of all foreign exchange earned by tourism goes to pay for imports needed for the industry itself. Most of these imports are "Five Star" amenities. Over 98 percent of the luxury transport—limousines and air conditioned coaches—must be imported from Japan, to take just one example. There is also an enormous gap between what the Tourism Ministry estimates visitors spend and the foreign exchange the Central Bank actually receives. In part, this gap reflects three problems: the tendency of many tour operators to "salt dollars abroad," the unobtrusive but thriving black market, and the tendency—still unstudied—for a significant percentage of foreign exchange to remain in or be remitted to the tourist's own country.

Similarly, for all the claims that tourism generates employment, 1980 figures show only .08 percent of the national workforce was employed in enterprises related to tourism. A closer look at the hotel building spree preceding the 1976 IMF-World Bank conference also shows astounding economic irrationality. The new luxury hotels increased the number of hotel rooms in Manila from 4,000 to 11,000. For years afterwards the country was saddled with scores of half-empty hotels.

For the government financial institutions which were pressured to making the loans for the hotels, the exercise was a disaster. They financed up to 75 percent—and in two cases, 100 percent—of the buildings costs at 12-14 percent interest. Given the Philippines 15-20 percent annual inflation rate, this was as good as handing the money out free. In addition, the banks were subsequently pressured into restructuring the loans. In some cases they even had to turn unpaid loans into equity in floundering hotels.



If the hotels were an unmitigated disaster for the government, they were a financial bonanza for the president's relatives and business associates. Apart from the giveaway interest rates and the subsequent restructuring of the loans, there were other ways to make money from the arrangement. The *Far Eastern Economic Review* reported (January 21, 1977), "One hotel

The hotels have become watering holes for the New Society's elite.

owner told the *Review* that it was common practice to overstate the funds needed and then invest in high-yield, quick-return investments."

Among the beneficiaries of the hotel bonanza were: Roberto Benedicto (two hotels), Trinidad Euriquez (two hotels), Antonio Martel, Jr. (one hotel) and John Gokongwei (one hotel). All are widely known to be among the closest relatives and business associates of the Marcoses. Other owners included a former undersecretary of defense (Manuel Salientes) and a former member of Congress (Jose M. Alberto).

Whether Marcos personally benefited from the 1976 hotel bonanza is beside the point. The opportunity for profit in the tourism industry provides Marcos with an instrument for strengthening the new class of oligarchs which constitutes a key domestic prop for his regime. The hotels themselves have become watering holes for the New Society's elite, in the process providing an outlet for the Westernized consumption tastes of this elite.

If profit and political needs account for the overall thrust of tourism promotion in the Philippines, the personal predilections of First Lady Imelda Marcos account for its often vulgar style. The first lady, Manila gossip has it, is desperately trying to make up for being snubbed by Manila's social elite in the years before her husband became president.

The explanation may be ungenerous, if not downright malicious. But the fact is that Imelda Marcos has made a habit of bringing planeloads of declass   European royalty, washed-up actors and actresses, and various other members and aspiring members of the international jet set to Manila for lavish parties. Some might say that Mrs. Marcos' social ambitions are her own business, except that many of her "parties" and "happenings" are financed with public funds in the name of tourist promotion. Mrs. Marcos' social life has, indeed, generated reams of publicity, but very little of it is favorable.

The primary objective of Philippine tourism clearly is not its economic returns. It is not too difficult to show impressive arrival and foreign exchange statistics. Government subsidies can provide those, and the Marcos regime has subsidized both the industry as a whole and particular tourists at a level well beyond what simple business judgment would justify. So far the most obvious economic beneficiaries of tourism development have been the regime and its most highly-placed supporters. They have made lucrative investments at the expense of the public.



A. Lin Neumann

There is another yardstick, however: the Marcos regime's critical and immediate need to shore up its legitimacy. Measured against this standard, especially when factors of domestic and personal political advantage are included, the tourism policy appears consistent and credible. Tourism development did buy time, good will and influence at home and abroad at a time when all three were in dangerously short supply.

The political uses of tourism are limited, though. Tourism may be useful in improving the country's image abroad but, in turn, its continued development becomes dependent on that image. Thus tourism is a particularly vulnerable political instrument.

The most dramatic example of this vulnerability to date was the bombing of the American Society of Travel Agents convention in Manila in November 1980. The bombing led to the cancellation of the rest of the convention. Both the bombing and the cancellation generated headlines around the world. The government countered with intense promotion efforts, and there have been no bombings since then. As a result, there has been no abrupt drop in tourist arrivals. But the event emphasized the vulnerability of the industry.

The bombing of the American Society of Travel Agents convention emphasized the vulnerability of the tourism industry.

There are other ways in which the presence of large numbers of foreigners in the country can be used against the regime, though the regime's opponents have been relatively slow to take advantage of the opportunities.

One early example of the possibilities came when the Eighth World Peace Through Law conference was held in Manila in August 1977. U.S.-based anti-Marcos forces combined with local oppositionists to embarrass the regime. The U.S.-based Anti-Martial Law Coalition sent a delegation headed by former Attorney General Ramsey Clark, which drew considerable attention precisely because it was able to attack the Marcos regime in Manila.



Demonstration against "sex-tours," January 1981.

The tactic was not repeated until August 1980. At that time, the Protestant Christian Conference of Asia and the Catholic National Secretariat for Social Action jointly organized a conference on tourism to counter the regime-sponsored World Tourism Organization conference.

The counter-conference did not generate much immediate attention in the mainline media; the repercussions came later. Japanese Premier Zenko Suzuki arrived in Manila in January 1981 for the first stop of an ASEAN tour. He was confronted there by demonstrators protesting Japanese sex tours. A similar demonstration greeted Suzuki in Bangkok. By the time Suzuki arrived in Jakarta, he had been confronted often enough on the issue that he was forced to admit he should do something about these "disgusting" sex tours.

The main target of the sex tour demonstrations was not the Marcos regime itself, but there has been an impact on the Philippines. Japanese tourist arrivals in the country have dropped since the campaign began.

For Marcos, tourism is a useful tool for establishing international connections. For the network established at the August 1980 tourism counter-conference, international connections have become a useful tool for attacking Marcos-style tourism. ☐



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HOTEL AND RESTAURANT WORKERS IN THE PHILIPPINES

Five-star hotel facilities are the same everywhere, but working conditions in Manila are a lot worse than those in San Francisco.

Patria Lee



Patty Lee (left) meeting with Regent Manila workers.

"Mabuhay! Welcome!" I entered the small three-storied headquarters of NUWHRAIN, the National Union of Workers in Hotel, Restaurant and Allied Industries. Union staffers took my umbrella and ushered me inside.

I had come to the Philippines as a delegate from my union to attend the International Workshop on Tourism. The workshop's "exposure program" arranged my visit to NUWHRAIN, giving me a chance to see hotel working conditions and find out about union activities.

Debbie, an assertive and articulate union staff member, told me, "Our industry is very unorganized, because only 10 percent of the labor force is allowed to organize. All industries vital to the government cannot be organized, and the government considers all industries vital." Strikes are not allowed in the Philippines, and collective bargaining is severely restricted. Under these conditions, I wondered how they could organize at all.

"Come see for yourself," was the answer.

Pat Lee is a Chinese-American hotel worker and an executive board member of the Hotel and Restaurant Employees and Bartenders Union Local 2 in San Francisco. In September 1980 she participated in the International Workshop on Tourism held in Manila as a delegate of her union and of PACTS, the Pacific and Asian American Center for Theologies and Strategies.

The Hyatt Regency Manila is a monstrous concrete cube surrounded by lush palm trees. In contrast to the garish lobby decor, typical of Hyatts everywhere, the union office for Hyatt workers is a small simple room tucked away in the back of the hotel. Each hotel has its own local and a union office inside the building.

A dozen workers crowded into the tiny room to greet me, a roomcleaner from the San Francisco Hyatt Regency. A large, powerfully built man stepped forward to introduce himself, "Louis Rodriguez, president of the Hyatt local."

We toured the work areas, where the facilities were exactly like those in any Hyatt in the United States. The equipment was imported to meet five-star standards. I chatted with busboys sweating over steamy dishwashing machines, cooks kneading dough in giant stainless steel mixers, and laundrymen digging at mountains of dirty linen—all doing their jobs in ways I was accustomed to seeing in San Francisco. I was surprised to learn that all the roomcleaners are men, since the tips make this a relatively high paying job. When we got to the employee cantina, all similarities to San Francisco ended. The tiny servings of rice, fish and vegetables looked like prison or army fare, and the workers told me they are docked for meals whether they eat or not.

Back in the union office, Rodriguez, who is a waiter in the hotel's steakhouse, talked about earnings. "After nine years, I'm still earning the minimum wage—six pesos a day in 1971, 13 pesos in 1980, no real increase after inflation. There are people with 20 years' service still making the minimum. I work six days a week and earn 1,000 pesos (\$128) a month from wages, tips, and the 10 percent service charge combined. It's just enough to support my family of six." Benefits include nine to 16 days of vacation, 15 days of sick leave, both convertible to cash, a yearly bonus equivalent to one month's pay, some social security, and one year's pay for permanent work-related disability. There is no unemployment insurance. Skilled workers in other industries generally earn more than the minimum wage, but hotel workers take home more money because of tips and the service charge.

Rodriguez continued, "A single room rents for 312-406 pesos (\$40-\$52) a night. That is double one month's rent for my family, 150 pesos. A steak dinner in the restaurant, including drinks, costs 150 pesos."



Patty Lee

Another union member described the gulf between the lives of hotel workers and the tourists they serve, who are offered the trappings of wealth at affordable prices because Philippine labor is cheap: "Most of our people are from the provinces, very poor. They come to this beautiful hotel with carpets and clean uniforms. Tourism makes prices go up. A street vendor may not sell me a mango, because he wants to wait for a tourist who will pay a higher price.

"We have to learn the ways of the foreigners. Before we never went to disco clubs. They were for foreigners. Now we all go. Before I never drank consomme soup. Now I do. Now everyone wants to wear blue jeans.

"And we have to give good service, because they appreciate it and because it's the Filipino way. Plus we live from the tips. Tourism should look after our welfare, but it doesn't."

A bartender added, "We are used to swallowing our pride. When a guest gets drunk, shouts at you or even slaps you, you have to keep smiling." The need to curry favor goes further. Roomboys are expected to procure hospitality girls for guests. Both male and female employees are accustomed to propositions. Hotel employees are required to have a medical check-up every six months. Its real purpose is to detect venereal disease, they say.

At the Manila Regent union office, we heard about the repression which goes along with subservience under martial law: "If a guest loses a jade ring, for example, he'll complain to the management. The manager calls the Department of Tourism, which then sends a military man to the hotel. The soldier questions the suspected employee, conducts an investigation and makes the arrest. The union is never informed and a lawyer is not present.

"This is a major problem for us.

"One guy from the Regent was caught outside the hotel by the police. He was carrying a bag containing cheese and pastries from the kitchen. You see he had a very large family to feed. At that time the payment of the service charge was delayed by the hotel, so we were short of cash. He was held for four days. The union was able to talk diplomatically with the

personnel manager, who agreed not to file charges against him and gave him a chance to resign."

Others had not been let off so gently. "At another hotel, one roomboy was arrested for stealing. He had to remove his clothes to be searched. Then he was tortured for six days and forced to sign a 'statement.' Evidence finally turned up to prove him innocent. The union got his job back, but management and the military did not offer an apology or any compensation." Martial law was lifted in February 1981, but this kind of proceeding is still commonplace.

But while intimidation and subservience are daily routines, NUWHRAIN helps workers organize resistance to specific abuses. Nick Elman, president of the Ramada Inn local, told me about the struggle over the service charge which is automatically added to customers' bills. "The Ramada Inn management was stealing the workers' share. While most of the other hotels were paying 200 pesos a month, we were receiving only 50 pesos. Financial records were manipulated."

Income from the service charge can equal monthly wages. This is a hot issue for Manila hotel workers, because the hotels insist on maintaining complete control over its distribution. NUWHRAIN is demanding that 90 percent of the service charge be paid to the workers, with the remaining 10 percent to cover losses and breakage. It has requested the right to examine the hotels' bookkeeping to verify monthly service charge receipts and payments. All the hotels have refused a union audit.

Ramada Inn workers created an uproar in July 1978, when they shaved their heads to protest hotel policies. Guests and management were stunned, but the manager quickly recovered enough to tell guests that head shaving was just a new fad. Once in 1978 and twice in 1979, the union organized a picket line and brief sit-down strikes—designed to evade the prohibition on strikes. Similar job actions have occurred at most major Manila hotels. Soldiers gathered in front of the hotel during the sit-ins, but the management was afraid to call them in. A show of force on hotel premises would have been very bad for business.

Nick Elman talked about the reprisals for these actions: "Management suspends and transfers union officials without justification. Union officers are given job promotions in exchange for resigning from the union. The December 21 sitdown was declared an illegal strike. The vice-president and myself were suspended from our jobs. We have been kept out of the hotel even though the union office is inside. Only last week the



Patty Lee

managers called hotel security on me for passing out union literature.

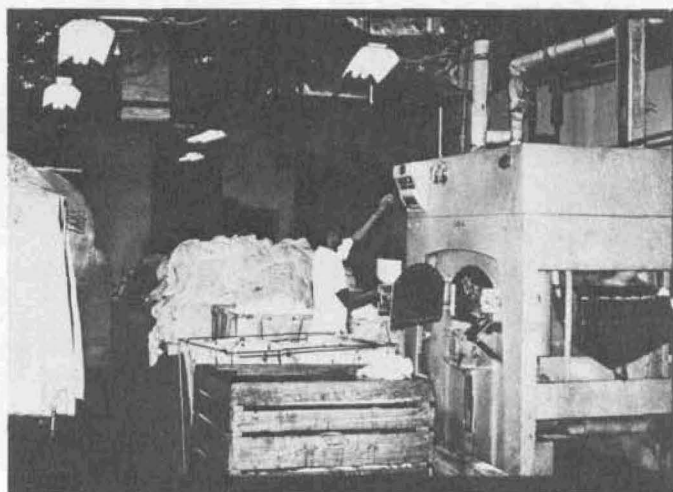
"The Ramada does not recognize the union and its officers. Even the Ministry of Labor ordered the Ramada to pay our back wages, but the hotel still refuses."

At dinner one evening, Danny Edralin, the union's Education Secretary, discussed some of the union's problems. "About 60 percent of union officers quit because of threats. The police go around and threaten our family members, saying there will be fearful consequences if we don't stop our union activities. About 100 union members a month emigrate, especially to the Middle East where there are new jobs."

Even so, NUWHRAIN, formed in 1970, now has 5,000 members in 29 chapters in hotels, restaurants and food industries. "During the early years we drained our resources by spreading out too thin," said Edralin. "Now we concentrate on big firms in Metro Manila. It will take some time to spread to the rural areas. When our office was raided during martial law, we lost most of our equipment and materials. We had to start all over."

NUWHRAIN has a number of immediate objectives: to remove the tourist business from the list of vital industries; to abolish the Ministry of Tourism work permit; 90 percent of service charges to be paid to the workers; and Filipino workers to be trained for skilled positions. The union is also part of a

labor coalition known as the KMU (Kilusang Mayo Uno) or May First Movement, whose program is based on six points which would profoundly change the position of all Filipino workers. KMU calls for just wages; the right to strike; an end to preventive suspension; civil liberties; restoration of the right to self-organization; and the nationalization of all transnational corporations. □



Patty Lee

Action Guide

Tourism

Christian Conference of Asia
480 Lorong 2
SINGAPORE 1231

The Christian Conference of Asia sponsored an international workshop on tourism in Manila, September 12-25, 1980. The 30 participants from 18 countries included representatives from church, women's, labor and media organizations. The workshop was convened primarily to examine the phenomenon of international tourism from a Third World viewpoint and to develop an international network to monitor the issues it raises. Workshops discussed the economic, political, cultural and theological ramifications of tourism, and alternatives to current tourism practices. For a report on the conference and information about future plans contact Ron O'Grady at CCA.

Corporate Profile Service
The Data Center
464 19th St.
Oakland, CA, USA 94612

The Corporate Profile Service produces compilations of all publicly available information published in the last 10 years on a particular corporation. The service focuses on the social impact of transnationals. These profiles can be ordered for approximately US \$100.

Prostitution

Asian Women's Association
Poste Restante
Shibuya Post Office
Shibuya, Tokyo, JAPAN 150

Publishes quarterly journal. Once a year this is in English. Issue No. 3, 1980, focuses on prostitution tourism in Asia. The articles analyze the development and impact of sex tours originating in Japan. Organized tours of Japanese men have gone into East and Southeast Asia in search of women. The writers discuss these sex tours as an extension of other forms of Japanese economic, political and military domination of Asia. This magazine has become a valuable resource to educate and mobilize the Japanese public and concerned groups throughout Asia and around the world. Groups in Thailand, the Philippines, Korea have begun to confront their governments and business interests. Japanese Prime Minister Suzuki faced a series of demonstrations during a recent tour of Southeast Asia.

Providence and Prostitution: Image and Reality for Women in Buddhist Thailand
by Kin Thitsa
International Reports: Women and Society
Parnell House, 25 Wilton Road
London SW1V 1JS, ENGLAND

Monograph on prostitution in Thailand focusing on cultural and religious underpinnings of this phenomenon.

Tourism and Prostitution

ISIS Bulletin No. 13
Via della Pellicana 31, 00153
Rome, ITALY

Third World Movement Against the Exploitation of Women
P.O. Box 1434
Manila 2800
THE PHILIPPINES

Is investigating and disseminating information about sex tours in Asia and is coordinating an international campaign against this practice.

Coordinating Group for Religion and Society
59 Soi Srisawad
Pradipat Td.
Bangkok 4
THAILAND

Coordinating investigation and organization concerning prostitution in Thailand.

Labor Conditions

International Union of Food and Allied Workers' Associations (I.U.F.A.)
Secretariat: Rampe du Pont Rouge 8
Petit lancy ch-1213
Geneva, SWITZERLAND

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By Lenny Siegel

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Delicate Bonds is being published by Pacific Studies Center's Global Electronics Information Project. It presents a comprehensive examination of the semiconductor industry. The pamphlet traces the rise of this revolutionary technology and outlines the consequences for those who work on the assembly lines here in the U.S. and overseas manufacturing semiconductors.

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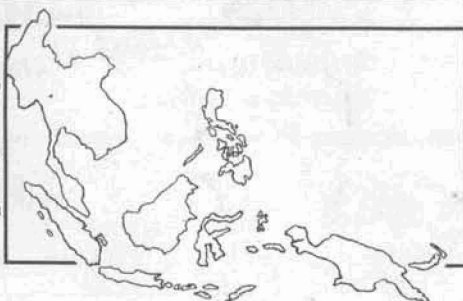
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